

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

PREMIÈRE PARTIE/PART I

NATIONS UNIES
UNITED NATIONS

SECTION A

CONGO

1.

DEA/6386-40

*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. CANADIAN EYES ONLY.

[Ottawa], January 12, 1961

Reference: NATO Telegram 47,† Brussels Telegram 23 of January 10.†

REQUEST FOR NATO SUPPORT OF BELGIUM'S CONGO ACTIVITIES

On January 10 Ambassador Rothschild, Belgian expert on African affairs recently returned from the Congo, addressed the Political Advisors' Committee of NATO on the validity of the Belgian action in permitting Colonel Mobutu's troops to enter the Congo from the Belgian Trust Territory of Ruanda-Urundi on January 1, and requested NATO support for Belgium in defending its action.

According to the Belgian account of the incident, Colonel Mobutu asked permission from both the UN and Belgium to send troops into Bukavu in Eastern Kivu Province (now controlled by pro-Lumumba forces) via Usumbura in Ruanda-Urundi. The Belgians state they only just received the message and had not returned any answer before about 200 Congolese troops reached Usumbura on December 30 and 31 from Luluabourg in five aircraft which they had commandeered from the Sabena subsidiary, Air Congo. These troops had with them on arrival at Usumbura a photocopy of the note of the Congolese Foreign Minister requesting permission to use facilities there because those at Bukavu were inadequate. In the circumstances, according to the Ambassador, the Belgian authorities decided to allow the troops to land and to transport them to the Congolese frontier by truck. At least some of the troops were so transported, made an unopposed entry to the Congo, and reached Bukavu. After initial negotiations between this group and the pro-Lumumba forces at Bukavu, a fight developed in which this group of Colonel Mobutu's troops were badly beaten and almost all were captured.

On January 2 the UN Secretary-General charged Belgian authorities in Ruanda-Urundi with complicity in the incursion. On January 7 the USSR permanent representative at the United

Nations, V.A. Zorin, demanded that the Security Council be convened to discuss “the threat to peace and security resulting from new acts of aggression by Belgium against the Congo” and further charged that the Belgian actions “represent an open armed intervention . . . and a gross violation of the international status of the trusteeship territory of Ruanda-Urundi.” A Security Council meeting is being held today to discuss this charge.

The Belgians in their defence to be presented to the Security Council claim:

(1) The trusteeship agreement grants Belgium over Ruanda-Urundi, in matters of security, the rights and powers of a sovereign state. Although it was physically impossible for Belgian authorities to prevent the landing of Mobutu forces at Usumbura because Kasavubu’s request was late in reaching Brussels, they did not go beyond the rights and powers of a sovereign state when they authorized Congolese forces to land.

(2) Article 6 of UNGA resolution of September 20 states that “without prejudice to the sovereign rights of the Republic of Congo” all states should refrain from direct and indirect provision of military aid to the Congo, etc. According to the Belgians, Kasavubu, who asked for the right of transit through Ruanda-Urundi, is generally recognized as being the legal authority of the Congo. They were therefore justified in agreeing to his request; otherwise Kasavubu might have accused them of interpreting the resolution in a manner prejudicial to the sovereign rights of the Congo.

(3) The Belgians claim that Mobutu’s operation was not a full-fledged military operation but could be considered as much a negotiating mission as a military undertaking.

In his statement to the PAC the Belgian Ambassador stated that Belgium and the West have both an interest and a moral responsibility in the Congo and added that Belgium could not make the necessary effort in the Congo alone. In respect to the Usumbura incident he stated that Belgium had very little time in which to examine the question before being presented with a *fait accompli* by the arrival of the troops. It was true that the Belgian authorities in Ruanda-Urundi could have disarmed the Kasavubu troops by force but nobody knew how serious the resulting fight would be. In any case there were political reasons for not taking this course of action; the Belgians wished to support the Kasavubu Government and did not see that the request was in conflict with the Security Council resolution which called upon member states not to hinder the Congolese Government in the exercise of its authority. He further stated Belgium’s argument that it is usual in times of peace to permit the passage of troops from a friendly country into another part of that friendly country. The Ambassador concluded by stating that Belgian reports indicated that the UAR and the Communists were definitely bent on setting up a separate government in Orientale Province. The decisions taken by the more extreme African leaders, at their meeting just concluded in Casablanca, pointed up the grave dangers to the West in the Congo situation. He concluded that it was necessary to face Communist-Afro-Asian unity with Western unity.

The Belgian argument received some support from the Netherlands representative who agreed on the need for unity on the part of the West in facing the Communist bloc.

The Belgian appeal raises a number of important questions. In the first place it is necessary to consider whether the facts, as stated by the Belgian representative, are accurate. Then there is the question of the validity of Belgium’s legal defence of its actions. There is the question of whether the dangers arising out of the Casablanca meeting have been accurately stated. Finally, there is the question of Canada’s response – in the light of these other considerations – to Belgium’s appeal for NATO solidarity.

The Facts of the Incident

We have no alternative, at the moment, to accepting the Belgian version of what happened. This situation might change, however, if the Secretary-General, for example, or the USSR

representative, were to submit clear evidence which is not now available to us. In the meantime some scepticism may be permitted. It was no secret that some sort of expedition was planned; the requisition of the aircraft was public knowledge; anyone familiar with local circumstances would have known that they could not land at Bukavu and that Usumbura was the most logical landing-place. This much information, at least, was available, directly or by simple deduction, not only to the Belgians but to the UK, the US and probably others. It is difficult, moreover, although perhaps not wholly impossible, to believe that Belgium would not have been aware of the whole plan of the operation from the many Belgian advisers attached to the Leopoldville régime.

The Belgian Case

As to the general validity of the Belgian case, it appears that Belgian authorities acted contrary to paragraph VI of the September 20 UNGA Resolution in providing, in fact, passage and assistance to the military force from Luluabourg. Even granting that Kasavubu, as the recognized head of the Government of the Congo, has a legal right to request passage through Ruanda-Urundi from Belgium and even assuming, which is not certain, that Belgium, as the administering authority, would under normal circumstances have the right to grant this passage through its trust territory, nevertheless it would be under no obligation to do so and under the present circumstances its action is contrary to the UNGA Resolution which forbids "assistance for military purposes." There also seems to be no justification for transporting the troops to the border instead of requiring them to depart from Ruanda-Urundi in the aircraft in which they arrived.

The Casablanca Conference

It is doubtful whether the Casablanca meeting of African leaders added significantly to the dangers inherent in the Congo situation. These dangers include the possibility of civil war on an increasingly broad scale, with significant forces withdrawn from UN command but remaining in the Congo and aiding the Stanleyville régime; the possible defeat or forced withdrawal of remaining UN forces; and the possibility of open great-power intervention. These dangers remain very real. They were perhaps at their most menacing, however, in December, when the move to withdraw forces from UN command first gained momentum; they have, if anything, diminished slightly since then, if for no other reason simply because the worst possibilities have not materialized. It may be doubted whether the threats and demands of the extremist African leaders are more menacing for having been formally repeated at Casablanca; it might even be argued that they are less so, since leaders noted for the intemperance of their utterances have found so little new to say. There remains the threat to take "appropriate action" at an unspecified time, if the UN does not meet the demands of the African leaders. Without discounting this threat, however, one can doubt whether it really confronts the West with a new and newly-menacing situation.

The Appeal to NATO Solidarity

It would appear from the foregoing that there are legitimate doubts as to whether we know the full story of the Bukavu incident (although we might not wish to say this openly) and that the Belgian case is by no means above criticism, even on Belgium's own account of the facts. Finally there does not appear to be any new and overwhelmingly menacing situation which would make Western unity of overriding importance.

There would seem to be no reason, therefore, to alter our usual stand that NATO solidarity as such is not essential in a UN context. This is all the more the case insofar as the Congo is concerned, bearing in mind that we have continued to support the Secretary-General, and that the Secretary-General and Belgium are directly opposed to each other on this issue.

I recommend, therefore, that we do not respond to Belgium's appeal for NATO solidarity in this instance. Since Canada is not a member of the Security Council, however, I would hope that we would not find it necessary to make any public statement of our position.

Would you agree that the foregoing assessment might be transmitted to Mr. Ritchie and to Mr. Léger?¹

N.A. R[OBERTSON]

2.

DEA/6386-40

*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. CANADIAN EYES ONLY.

[Ottawa], January 16, 1961

Reference: African and Middle Eastern Division's Memorandum of January 12, 1961, to the Minister.

REQUEST FOR NATO SUPPORT FOR BELGIUM'S CONGO ACTIVITIES

You have asked for our views on the enclosed memorandum by our African and Middle Eastern Division to the Minister.²

2. My first remark is that the memorandum has been overtaken by events in the United Nations Security Council where the U.S.S.R. and the three Afro-Asian countries have failed to secure the condemnation of Belgium for having allowed the transit of Congolese troops through Ruanda-Urundi. The United States, the United Kingdom, France, and all the other members of the Security Council, except for the U.S.S.R. and the Afro-Asians, abstained on a resolution which would have found Belgium guilty of violating its trusteeship over Ruanda-Urundi. The matter is likely to come up in the General Assembly, however, as the U.S.S.R. Representative, Mr. Zorin, indicated that he considered the issue should be brought before the Assembly although he did not say whether he would request such action before the Assembly resumes its regular session in March.

3. It also seems to me that our African and Middle Eastern Division has misinterpreted somewhat the Belgian appeal for "Western solidarity" in the Congo. I think you will agree that Ambassador Rothschild, when he addressed the Political Advisers Committee, did not ask for a formal expression of NATO solidarity on the Ruanda-Urundi incident. He was at pains, of course, to defend the action taken by his authorities in this particular instance, but his appeal for "Western solidarity" was of a more general character. As reported by our NATO Delegation in their telegrams 45 and 47 of January 10, † Ambassador Rothschild, in the course of his address to the Political Advisers Committee, raised three problems, namely: (1) the transit of Congolese troops through Ruanda-Urundi; (2) political problems in Ruanda-Urundi; and (3) relations between the Belgian and the Congolese Governments. It is true he prefaced his remarks by stating that "Belgium and the West have both an interest and a moral responsibility in the Congo" and that Belgium "had to have the support of some other NATO countries in attempting to defend the area against the United Arab Republic and the

¹ Note marginale :/Marginal note:

Not signed by USSEA. Comments requested from DL-1 and European Divs. See their memos Jan. 16 & 19. C.O. Spencer A[frican] & M[idle] E[astern] Div. 19 Jan 61.

² Voir le document précédent./See the previous document.

Communist Bloc,” but he asked for an exchange of views only on the General Assembly’s recommendation to delay the elections in Ruanda-Urundi. Insofar as his appeal referred to the Usumbura incident, it was probably directed to the NATO members of the Security Council, who, as you know, gave some support to the Belgians in that forum.

4. The memorandum also suggests that the Belgian version of the Usumbura incident must be accepted with some scepticism. While this may be true, it seems to me that the Security Council’s refusal to condemn Belgium has a bearing on what position Canada should take if and when the question comes before the General Assembly. The Belgian version of the incident has not been openly challenged by the Western members of the Security Council and their friends. While it might be inadvisable to base recommendations to the Minister on the Belgian version of the incident only, our judgment of the Belgian behaviour must not be based on mere suppositions, even though these suppositions may have some foundation. I would suggest that we try and obtain more information from our United States and United Kingdom colleagues, in the light of the discussion in the Security Council.

W.H. BARTON

3.

DEA/6385-40

*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*

TOP SECRET. CANADIAN EYES ONLY.

[Ottawa], January 18, 1961

Reference: African and Middle Eastern Division’s Memorandum of January 12, 1961 to the Minister.

REQUEST FOR NATO SUPPORT OF BELGIUM’S CONGO ACTIVITIES

We note that in its memorandum under reference, the African and Middle Eastern Division recommends to the Minister that we do not respond to Belgium’s appeal for NATO support of its actions in permitting Colonel Mobotu’s troops to enter the Ruanda-Urundi territory.

2. The recommendation of the African and Middle Eastern Division is based on the following reasons:

the facts of the incident: doubt is cast on the Belgian version of what actually happened in the Ruanda-Urundi. – While the Belgians would understandably try to present their case in the best possible light, we do not think for our part that this is a sufficient reason in itself to assume that facts have been distorted. We have heard nothing to this effect from the Americans or the British and the United Nations has not yet provided any such evidence. When this question came to a vote in the Security Council, all NATO powers and non-communist or non-Afro-Asian states sitting on the Council abstained;

the Belgian case: the African and Middle Eastern Division argues that Belgium acted contrary to paragraph 4 of the September 20 United Nations General Assembly resolution. – We are not in a position to comment on this assertion but presumably Legal Division or UN Division could offer useful views;

the Casablanca Conference: the memorandum under reference contends that the Casablanca Conference did not add significantly to the danger inherent to the situation in the Congo. – While this may be so and while strictly speaking assessing the situation would not come within our responsibilities, it nevertheless seems to us that a potentially explosive situation still prevails in the Congo, particularly in the Orientale Province where efforts are

being made to set up a separatist pro-communist government, and where at the same time UAR troops technically withdrawn from the United Nations command still remain.

3. On the other hand, we find some merit in the Belgian case as set forth by Ambassador Rothschild. Leaving aside the legal aspect of the question, we find that on political grounds there is much to be said in favour of the middle-of-the-road course of action taken by the Belgians. It seems difficult to see how they could have done otherwise. Had the Belgians not met half-way the Congolese request, their action could have had serious consequences on their relations with the present United Nations-recognized Congolese Government and it is not unlikely that the morale of Colonel Mobutu's troops would have been adversely affected. This is a risk which the Belgians could hardly afford. We think that they have not gone too far either way: they have not prevented Mobutu's troops from crossing the Ruanda-Urundi, but they have not given them all assistance they could have given in other circumstances.

4. In fact we are of the opinion that this incident raises the broader problem of Belgium's relations with the Congo as a whole. Not to mention its economic aspects, the basic problem is a long, close and mutually profitable association with the Congo which the Belgians do not consider desirable to break up completely. We do not see either the necessity of a complete break up even though the Belgians may have made serious mistakes since last July. On the other hand, while there seems to be little doubt that the Belgians are better suited than anyone else to provide the assistance needed by the newly independent Congo, the Soviet Bloc, some Arab and Asian countries, certain quarters in the United Nations, as well as a number of more extremist Congolese are bent on getting all the Belgians out of the Congo and on breaking up all links between the two countries. The purposes of these manoeuvres are obvious. Still there remains a majority of Congolese who would wish to retain Belgian assistance, though, of course, on a different basis than before independence. It seems that in the face of all this, the Belgians have come to consider that the Congo has now definitely become part and parcel of the East-West struggle. Hence Western-minded Congolese leaders like Kasavubu, Tshombe and Mobutu, who are friendly towards Belgium, are given all the support and assistance they need. In view of Belgium's special position in the Congo and of the state of its relations with Lumumba, we think that there is some justification in this policy, until at least a Congolese leaders' round-table conference has settled some of the outstanding problems. After all, there is no evidence that the suppression of the Belgian "presence" in the Congo would be any guarantee against Soviet, communist or Arab penetration.

5. What worsens the situation in our opinion are the strained relations between the United Nations and Belgium on the Congo, particularly with regard to assistance. This provides the communists and the Arabs with welcome opportunities to brew storms in tea cups. Until a *modus vivendi* between the United Nations and Belgium is reached, there will not be much room for improvement. It is not irrelevant to note in this connection that ever since September 20, 1960,³ the Belgians have made serious efforts to reach agreement with the United Nations on this question. The United Nations have not been able to be nearly as forthcoming.

6. In view of the foregoing, the reasons not to respond to the Belgian request do not appear as obvious to this Division as they do to African and Middle Eastern Division. I might add in this respect that we fully concur with the comments made by Defence Liaison I Division in their memorandum of January 16 to you on the nature of the Belgian request for NATO support.

HENRY DAVIS

³ Voir/See "Belgium's Notes to U.N.," *New York Times*, September 11, 1960, p. 2.

4.

DEA/6386-L-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 ME-13

Ottawa, January 20, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 91 Jan 17.†

Repeat for Information: London, Permis New York, Washington, Paris, Brussels, Leopoldville (OpImmediate), Geneva, Cairo (Deferred).

By Bag Capetown, Tel Aviv, Lagos, Accra, Moscow, Dublin from London.

BELGIAN POLICY IN CONGO

The following notes on Canada's attitude towards Belgian activities in Congo could serve as the basis for a Canadian statement in the PAC if one appears to be necessary.

2. Because of its position as one of the few non-African or Asian countries on the Secretary-General's Special Advisory Committee, and the need to maintain a reputation for disinterestedness if it is to play an effective role, Canada has been obliged to take a detached public position as regards developments in Congo.

3. Apart from wanting to see Congo restored to conditions of stability and progress, Canada has two main objectives (a) to ensure as far as possible that UN effort in Congo is impartial and does not repeat not fail and that its capacity to play an effective role in situations of this sort is preserved, and (b) to ensure that Congo is able to maintain its unity and independence and that the situation there should not repeat not become a threat to international peace.

4. As regards Belgian activity and the regrettable lack of co-operation between Belgium and the Secretariat, we recognize that Belgium and Belgian nationals have qualifications for helping Congo out of its present difficulties. To serve this end and without in any way apportioning blame for past misunderstandings, we hope that Belgium will see the advantage of seeking fuller cooperation with UN Secretariat. We would further hope that Belgian Government would exert greater influence with Belgian nationals who are in Congo under independent auspices or intending to return to cooperate fully with UN and its agencies.

5. Insofar as current developments in Congo are concerned, we are encouraged by the efforts of the Conciliation Commission and hope it may make a positive contribution towards bringing the political crisis to an end. We think it important that there should be at the earliest possible date a renewed effort at consultation and conciliation of all Congolese leaders and the proposed round table conference would seem to offer an opportunity for this. We hope that a provisional Congolese government commanding the widest possible measure of political support can be set up quickly.

6. You might find it useful to quote passages from statements by Mr. Nesbitt in UNGA on December 19 as follows: On the importance of supporting UN effort "Canadian Government considers that UN operations in Congo are of a significance which goes far beyond their immediate impact on the situation in that country ... My government could have wished at different times that different courses of action had been pursued in Congo. It could have sought to influence UN operations to serve particular purposes which Canada believed should be served. But we have considered that it was important to resist these temptations and to exercise a degree of restraint even when events were taking place, the immediate results of which were not repeat not to our liking. "In Canadian view, what is at stake in Congo is not repeat not only

the future of that unhappy country, important though that is, but the continuing effectiveness of UN peace-keeping machinery.”

7. Our view of the activities of Soviet Bloc in Congo “... The real objectives of these propagandistic attacks by Soviet Bloc must surely be clear to all states represented here. These are: to achieve control where they can; to subvert what they cannot repeat not control; and to destroy what they cannot repeat not subvert to their own ends. This applies to UN itself, whose success in promoting the welfare and genuine independence of new states is threatened by such policies. It particularly applies in the case of Congo, where the development of peace, tranquility and self-determination on anything but Soviet terms is impeded by every device at their command which they judge will not repeat not result in the ultimate conflict.”

[H.C.] GREEN

5.

DEA/6386-40

*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 25, 1961

RECOMMENDATION OF CONGO ADVISORY COMMITTEE
FOR RELEASE OF MR. LUMUMBA

In his telegram 126 of January 23[†] Mr. Ritchie reports on the January 20 meeting of the Congo Advisory Committee at which it was the consensus that the Secretary-General should communicate with President Kasavubu to recommend the liberation of Mr. Lumumba⁴ so that he might participate with other leaders in negotiations for a political settlement. The Secretary-General sent such a telegram on January 20, the text of which is contained in Mr. Ritchie's telegram 131 of January 23.[†] This same telegram contains the text of a message of January 21 from Foreign Minister Bomboko which constitutes a reply to Mr. Hammarskjöld and which in effect rejects the request to release Lumumba. Mr. Bomboko asserts that this effort of the Advisory Committee constitutes intervention in Congo affairs.

This is the first time that the Secretary-General has recommended that Lumumba be released from custody to engage in political negotiations and he has thus raised an issue of considerable importance which will, no doubt, be a subject for continuing discussion in the Advisory Committee and outside it. In the circumstances Mr. Ritchie will require some sort of guidance on the attitude he might be expected to express.

The telegram attached for your approval[†] sets out some comments for his guidance.⁵ It expresses agreement with Mr. Ritchie's view that it would be difficult, particularly in the Advisory Committee, to oppose the liberation of political prisoners in the Congo with the aim of encouraging political conciliation. On the other hand it points out that there are a number of considerations regarding the timing of Lumumba's release. The telegram reinforces the view

⁴ Lumumba était emprisonné depuis le 1^{er} décembre 1960. Il a été tué le 17 janvier 1961, mais sa mort n'avait pas encore été annoncée.

Lumumba had been imprisoned since December 1, 1960. He was killed on January 17, 1961, but the fact was not yet known.

⁵ Note marginale :/Marginal note:

Not sent. [Auteur inconnu/Author unknown]

that Lumumba should be treated by due process of law, including the right to a trial without delay. The point is also made that the U.N. might put off any major initiatives in the Congo until the Conciliation Commission has completed its task and made its report. We have also suggested that concern about inhumane treatment should not be concentrated on Lumumba but should be more generally directed. In view of today's press reports about imminent troop withdrawals from the Congo, a separate memorandum† is being submitted on this subject.

N.A. R[OBERTSON]

6.

DEA/6386-40

*L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures
Ambassador in Belgium
to Secretary of State for External Affairs*

TELEGRAM 68

Brussels, January 26, 1961

SECRET. PRIORITY.

Repeat for Information: London, Washington, NATO Paris, Paris, Permis New York.

CONGO

When I called on Foreign Minister today to make representations about Geneva tariff negotiations he took the occasion to speak to me about Canadian policy toward Belgium and Congo.

2. Mr. Wigny said he was concerned that Canada had not repeat not given Belgium more support in UN. Moreover it had seemed to him that at NATO the Minister had attached such overriding importance to UN and to relations with UN members as to give impression that he was attaching less importance to NATO and to relations with NATO members.

3. I replied that I believed there existed a genuine difference of opinion between Belgians and Canada as to how best to promote our common interests. As Belgium's ally and friend Canada felt that given the present political balance in the world and in UN and given Canada's membership on UN Advisory Committee on Congo and Canadian troops in Congo, the best way for Canada to help was to avoid taking sides too openly. I also drew Minister's attention to position Canadian representative took at PAC meeting and said I thought he would there find support for one of main Belgian contentions, the value of Belgian presence in Congo.

4. Mr. Wigny said he welcomed having the matter put to him in this light but he nonetheless hoped that Canada would re-examine the position and reconsider her attitude, and would come to the conclusion that our common interests would best be served by supporting Belgium more openly and fully in UN and elsewhere.

[SYDNEY PIERCE]

7.

DEA/6386-40

*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 220

New York, February 3, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, CCOS, DND, CGS, CAS, DNI, DMI, DAI, Ottawa from Ottawa, Cairo (Deferred) from Ottawa.

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London.

CONGO: NEW USA APPROACH

Noyes (USA) called on me this afternoon to explain, on instructions from Washington, a new USA approach to the problem of the Congo. He read from a brief the main portion of which is as follows: Begins: The approach is as follows:

(a) A broadly based Congolese Government should be established as soon as possible. If various member states support this and encourage those concerned to establish a broadly based government, we believe it can be achieved and can bring about stability in Congo. A return to constitutionality under the Chief of State is essential.

(b) We also support the proposal of Secretary-General for a new mandate giving UN authority to bring under control all principal military elements in Congo and thus to neutralize the role of Congolese forces in the politics of the country. Under this mandate UN troops could undertake training of Congolese troops. We would also expect UN to step up its efforts to prevent all outside assistance from coming into the Congo.

(c) The UN civilian operation in the Congo should be increased and improved so that it can effectively assist the Congo and provide the only channel for external assistance.

When the military neutralization of Congolese forces is at least well under way and it is certain that a civil war has been averted, we believe that Secretary-General would be able to obtain the release and secure the protection of political prisoners. We also believe the establishment of a new, moderate and broadly based government would be essential if Secretary-General can be expected to have any success on this question. Ends.

2. Noyes described this as a genuine effort to find a middle of the road approach which would command the approval of the more moderate Afro-Asians and the acquiescence at least of all the interested powers. He hoped that in this way the powers concerned could draw back gradually from the "abyss" that faced them if UN failed in the Congo.

3. In reply to my question he said he thought that the two processes of pacification and forming a broadly based government could proceed together. Indeed he seemed to envisage that pacification and neutralization of the Congolese forces would flow from the political agreement that would come in the course of establishing a broadly based government, and that other means of enforcing the new mandate proposed for Secretary-General would only be considered if this did not repeat not succeed. You will see that this approach bears a considerable similarity to that described to us by Weischhoff (our telegram 216 February 3† refers).

4. Noyes said that they were very anxious to hear our comments and to have our active support if possible. Grateful for your views. We shall comment at greater length in separate telegram.

[C.S.A.] RITCHIE

8.

DEA/6386-C-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 ME-101

Ottawa, February 6, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Telegrams Permis New York 220 Feb 3 and Washington 353 Feb 4.†

Repeat for Information: London, Paris, NATO Paris, Brussels, Geneva, Cairo (Deferred) (Priority).

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London.

CONGO

Please let the appropriate USA officials in Washington and New York know that the Canadian Government appreciates their having informed us of the new USA attitude to the Congo problem. The USA approach appears to us to be constructive and sensible and generally pretty close to the line you have been following in the Advisory Committee.

2. The following observations are preliminary, pending further study of USA proposals and receipt of more detailed information as to how it is proposed that they should be implemented.

3. In general we concur in the basic USA premises, i.e. that the UN is the key to the Congo problem; that the UN action in the Congo must be supported and re-invigorated; and that its failure would have very serious consequences.

4. We agree that the UN should seek to further an early return to constitutionality and the formation as soon as possible of a broadly based Congo Government. We doubt whether this can be done without making some concessions to the elements which attach great importance to the early release of Lumumba. We would support the Secretary-General's policy under which all military elements in the Congo might be brought under control and neutralized: though we do not underestimate the difficulties in doing so. We attach great importance to the objective of a more effective UN civil operation, with the UN recognized as the only channel for external assistance. It should be noted that one prerequisite to achieving this objective would be the full agreement and understanding between the Secretariat and the Belgian Government which has hitherto been lacking. Perhaps the USA Government and others can make their influence felt to this end.

5. On the further points in the two telegrams under reference our preliminary observations are as follows: (1) *Release of political prisoners*: We understand and have some sympathy with the reasons for the suggestion that this should await "neutralization" of the military elements and success in forming a broadly based government. However it may have to be faced that the immediate release of Lumumba may be a condition set by some of the Asian and African powers for their cooperation in achieving any of the general objectives now set forth. (2) *Tactics and timing*: We would fully concur in the desirability of having all three parts of the USA programme go forward as nearly simultaneously as possible. We also would urge the desirability of talking freely and frankly with all interested governments particularly Asian and

African. We continue to recognize the necessity of supporting the Secretary-General who can give the necessary lead more effectively and acceptably than any of the Great Powers. Our views and those of the USA are identical that the Secretary-General's efforts to rebuild the UN forces must be supported. So far as the replacement of Dayal is concerned we are worried lest an effort to have him removed might make the situation even more difficult than it is. If there were general agreement on the objectives to be pursued we could all probably work more satisfactorily with Dayal than has been the case in the past.

6. Central to the achievement of the objectives which Canada and the USA would wish to see achieved in the Congo is the cessation of outside interference. We have mentioned above that Belgian cooperation will be required. But it is no less essential that the Soviet Union, the African extremists and the Western countries reach some sort of "hands-off" agreement before pacification of the Congolese army, political conciliation and national reconstruction can proceed. It seems to us that there is a degree of mutuality of interest for both east and west in the Congo and that a basis for agreement exists.

[H.C.] GREEN

9.

DEA/6386-40

*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 242

New York, February 9, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 220 Feb 3 and Your Tel ME-101 Feb 7.

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, DND, CCOS, CGS, CAS, DNI, DMI, DAI Ottawa from Ottawa, Cairo (Deferred) from Ottawa.

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London.

CONGO

Thank you for your reference telegram. We shall pass on to USA Mission your appreciation of their approach and your preliminary observations.

2. We fully agree that we should pay tribute to the motives of USA Government in making this effort to stop the drift in the Congo and to rally moderate opinion behind a constructive approach. Like you we also think the basic ideas behind this approach are commendable and are nearer than previous Western policy to the Canadian approach as expressed for example in the Advisory Committee. In particular we agree with the emphasis on forming a broadly based Congolese Government and on a more effective UN role in preventing outside interference. We also believe USA is wise in seeking a consensus of the interested states on such a policy rather than in trying for an early resolution in the Security Council. However UK is somewhat disturbed that USA has sprung this policy on others without sufficient advance consultation and preparation. When we asked Noyes on February 7 he said it was still too early to form any impression of reactions to the approaches they had made.

3. When it comes to the practical steps required to implement these USA ideas we have found widespread doubts here. As far as we can gather USA envisages that the broadly based Congolese government will result mainly from conciliation between Kasavubu and Mobutu and Tshombe, although "empty chairs" might in the process be left for representatives from Stanleyville. The Americans do not repeat not envisage the release of Lumumba, or the

convening of parliament, until after such political agreement is reached because they fear that if he is released before it will simply add to the chaos; they do not repeat not anticipate too much trouble from Gizenga because their reports suggest that his influence is waning. However many of us share your doubts that some of the Asian-African governments not repeat not to mention the Communist governments would ever accept a government as "broadly based" which did not repeat not include Lumumba. This might well prove a sticking point in negotiation with them. One possible compromise which was suggested some weeks ago by the Indian Permanent Representative in the Advisory Committee might be the release of Lumumba (and all other political prisoners) for the specific purpose of participating in negotiations leading towards a return to constitutional government in Congo but without prejudging Lumumba's guilt or innocence under Congolese law. Perhaps the UN might in some way be made responsible for the safekeeping and protection of Lumumba during the period of the negotiations although the Secretary-General has previously expressed in the Advisory Committee some hesitation about such an arrangement which might lead to the accusation that the UN was acting as Lumumba's jailer.

4. There is also widespread uncertainty here about the relationship between the political and the pacification processes in USA approach. USA ideas do not repeat not seem to be completely settled on this point but their main emphasis appears to be on achieving a political agreement which would bring about a broadly based government and at the same time some sort of arrangement for "neutralizing" the Congolese forces perhaps by getting them to deposit their arms in barracks as part of a new UN "training" scheme. On the other hand, UN Secretariat seems to put the emphasis on disarming the Congolese forces as a prerequisite for political conciliation and on changing the UN mandate in whatever way is necessary to achieve this although such a change in mandate might involve the use of force to disarm the Congolese army. Such proposals certainly pose very difficult questions both of principle and of practice. It would seem hard to justify an attempt to impose the disarmament of the Congolese forces on President Kasavubu who is under the constitution their Commander-in-Chief and if he continues to oppose the idea forcible disarming might be held to be a serious interference in the domestic concerns of Congo. Moreover any extension of UN mandate in this direction might involve UN contingents in direct hostilities with recalcitrant Congolese armed forces in a way which was certainly not repeat not contemplated when national contingents were originally allocated to Congo operation. It is hardly necessary to underline the practical difficulties in the way of disarming of "neutralizing" the Congolese armed forces, many of which have of course split up into local levies attached to various provincial leaders. It is hard to see how such a process could be brought about except as the consequence of some measure of political settlement rather than as a prior condition for that settlement. Perhaps a first step could be taken in at least discouraging the Congolese Government and the various warring provincial régimes from undertaking new military adventures against each other.

5. Any consideration of these problems brings one back to what you describe in paragraph 6 of your reference telegram as the "central" question as to whether USSR, the African extremists and the Western countries can reach some sort of "hands off" agreement before the entire process of settlement in Congo can proceed. This indeed seems to us the overriding condition for progress. If it can be attained the Russians might restrain the supporters of Lumumba while it would certainly be necessary for the Western powers to talk very plainly to the Belgians about the dangerous effects of some of their actions. Unfortunately from this point of view the new USA initiative has already apparently awakened Belgian suspicion and opposition. We understand that the Belgian mission to UN were offended at being informed of these new American ideas at the last moment and that they (and indeed the French also to a certain extent) are very negative in their reaction. We learned that a direct conversation on Congo took place February 6 between Stevenson and Zorin without we believe leading to any

positive results and with continued Soviet insistence on the immediate release of Lumumba.⁶ However this is no repeat no doubt only a preliminary skirmish.

6. It seems that the Americans have not repeat not yet thought out the question of the relationship between external assistance channelled through UN and bilateral Belgian assistance. However they have indicated that they intend to put greater pressure on the Belgians to cooperate fully with UN in this field.

7. Finally we should perhaps point out that the Americans here have explained that this approach to Congo problem is the first big foreign policy effort of the new USA administration, that they are extremely serious in their determination to see it succeed and that its fate is likely to influence significantly the future USA attitude toward UN.

10.

DEA/6386-40

*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, February 13, 1961

REPORTED DEATH OF LUMUMBA

I attach for your consideration a suggested statement† in case a question is asked in the House on this matter.

2. We telephoned New York and were informed by Mr. Ritchie that although the United Nations is still not in a position to confirm officially the death of Mr. Lumumba, the Secretary-General and the delegations are accepting the fact that Lumumba is dead as reported by the Katanga Government today. The manner and circumstances of his death however have yet to be clarified. At the meeting of the Security Council this morning the Secretary-General suggested that there should be an official investigation of the Katanga Government's report and in this was supported by the United States Delegate, Mr. Stevenson. The Soviet Representative queried the impartiality of the Secretariat to conduct such an investigation but the Council apparently upheld the Secretary-General and agreed to adjourn until Wednesday pending further investigation by the Secretariat.

N.A. R[OBERTSON]

11.

DEA/6386-40

*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 268

New York, February 14, 1961

CONFIDENTIAL. PRIORITY.

Reference: Our Tel 258 Feb 13.†

⁶ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XX (Washington: United States Government Printing Office, 1994), document 24.

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, DND, CCOS, CGS, CAS, DNI, DMI, DAI Ottawa from Ottawa, Cairo (Deferred), Brussels from Ottawa. By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London.

CONGO

My Irish, Danish, Swedish and Norwegian colleagues and I had a very informal exchange of views Monday afternoon following the Security Council meeting. All were of course very preoccupied with the recent turn of events. In fact our general assessment of the situation was in terms which could scarcely have been darker even if we had known at that time that USSR would make the move it has today in calling for the removal of Hammarskjöld, the end of UN activity in Congo within a month and the recognition of Gizenga as head of Congolese Government.

2. We were all agreed that death of Lumumba would gravely prejudice the development of the new USA approach to Congo. Of the four essential elements of that approach, the two dealing with the formation of a broadly based government and the release of political prisoners would seem either hollow or impractical in the new circumstances. Something might, however, still be made of the other two, that is, the prevention of external intervention and the neutralization or disarming of Congolese armed forces.

3. With respect to the situation within the Congo itself, with the developing possibilities of massacres and reprisals, etc., UN force might now very well be forced into very difficult positions.

4. Since this gloomy gathering the task statement of Soviet position has darkened the prospects still further. It is interesting however that Afro-Asians particularly UAR and India are still talking of the need for a compromise resolution in the Security Council which might attempt to stave off a deterioration in Congo. Loutfi (UAR) spoke to me of such a resolution yesterday and we learn that today Jha is working on a possible text which might be based on (a) neutralization of ANC forces in Congo and prevention of civil war; (b) withdrawal of all Belgian military and para-military personnel from Congo; (c) an investigation by a subcommittee of the Security Council of the circumstances of Lumumba's death.

5. It is too early to say what prospects such a relatively moderate approach may have but at least at the moment the Afro-Asians apart from Mali and Guinea do not repeat not appear to have associated themselves with extreme Soviet position.

[C.S.A.] RITCHIE

12.

DEA/6386-40

*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*

CONFIDENTIAL

[Ottawa], February 16, 1961

THE SITUATION IN THE CONGO

Over the last few days the situation in the Congo, which was already deteriorating, has taken a sharp turn for the worse as the result of the death of Lumumba. The Soviet Union are repudiating the Secretary-General and a number of African governments have recognized Mr. Gizenga as the head of the legitimate Congolese Government.

2. The implications of these recent developments are potentially extremely serious, both in the Congo and generally. In the Congo it is possible that fighting may develop between Gizenga on the one side and the United Nations on the other. As an alternative which is no less disturbing, the United Nations might withdraw with a very substantial loss in prestige to cut down its losses and then at best there would be chaos in the Congo for a good long while. There is, however, a danger, should the United Nations withdraw, that Gizenga with Soviet assistance might become involved in a struggle against Katanga with Belgian and U.S. assistance. This would open up a new hot and cold war front in the centre of Africa. It is not inconceivable that the conflict might not be limited to Africa. The situation in the Congo is therefore potentially extremely serious.

3. The trouble unfortunately is not limited to the Congo. By challenging the Secretary-General, in allowing aid to be given to the Gizenga Government, the Soviet Union seems to be determined to wreck the special contribution to stability in the world which the U.N. might have been able to make in spite of the present Charter limitations. Furthermore, the Soviet Union seems to be making a determined bid for at least a zone of influence in Africa, extending the present foothold it has in Guinea. There is no doubt that part of this is related to the permanent objectives of Soviet policy. It is also conceivable that they have skilfully taken advantage of our own mistakes and, in particular, of the ill-advised Belgian reluctance to pull out of the Congo. There may well be on the part of the Russians a desire to pick up as many trumps as they can in preparation for the Summit meeting with Kennedy. In return for concessions as to the United Nations or in Africa, the Russians may be in a better position to obtain from the United States advantages in other areas which are of more immediate or substantial interest to the Soviet Union, e.g. Berlin, Germany, etc. The situation is complicated by the fact that a number of African countries seem to have espoused the Soviet view of the situation and to be supporting Soviet manoeuvres. Another element in the situation is that the important neutral countries or uncommitted countries, such as India, Ceylon, and to a certain extent Yugoslavia and Egypt, are either passive or siding with the Soviet Union. The danger therefore is that if the situation is allowed to deteriorate, the United Nations ability to assist in maintaining peace will be substantially reduced and Soviet power in the world will be increased as a result of their acquiring control over the Congo.

4. The conclusion of the above cursory analysis would seem to be that the Soviet operation may succeed unless uncommitted countries are prepared to intervene to frustrate it and it seems that, for the West and for Canada in particular, the problem, insofar as the situation in the Congo and that of the United Nations, is that of determining whether anything can usefully be done to induce these uncommitted states to do anything to prevent what would in fact be a major Soviet victory.

5. It seems to me that the real issue is not whether the Secretary-General is adequate or not and whether a collegiate system should be introduced in the structure of the United Nations, but whether it is not in the interests of small, medium and uncommitted countries to take immediate and energetic action to salvage what can be salvaged of existing U.N. machinery for independent action to sustain peace and security in the world. If Hammarskjöld is compelled to resign and the United Nations in general or in the Congo is discredited, it seems to me that there will be a tendency to deal with international problems on a naked power basis and that this will increase the dangers of war and reduce the potential role which the medium and uncommitted countries can play in the preservation of peace. If this conclusion is accepted, it seems to me that the efforts of countries like Canada should be directed to promoting a greater appreciation on the part of other countries, particularly the uncommitted countries, as to the urgent need for ensuring that the structure of the United Nations is not allowed to disintegrate and the U.N. effort in the Congo is not brought to an immediate end, even though this does not necessarily mean that it should be conducted along the lines envisaged by the Secretary-

General. In the circumstances, it seems to me that it would be open to Canada to appeal to some of the leading statesmen of uncommitted countries to take stock of the situation and to consider whether they do not agree that a continuation of the U.N. effort in the Congo in some fashion and a maintenance of some freedom of manoeuvre for the U.N. are not linked and whether this does not mean that, together with such Western countries as are directly involved in the Congolese situation, they should not seek to find a solution to that situation which would involve making maximum use of U.N. facilities in such a way as to elicit African cooperation.

6. There is at the moment in operation a Conciliation Committee. The trouble with this Committee is that it is not fully representative of the elements vitally involved in this situation and that the outcome of its deliberations is unlikely to affect the situation materially. In view of developments in the last few days, is it not realistic to assume that a number of African states have taken up a position in support of Soviet objectives while a certain number of other states are hesitant to pursue this course and that no solution which does not take into account this polarization of the Congolese situation is likely to be acceptable. The two elements therefore to be reconciled are a division of African opinion on the Congolese issue and the need to rally neutral opinion in support of U.N. machinery.

7. Would it not be possible to achieve this objective in suggesting to the leaders of uncommitted countries that one possible approach to a solution might be to arrange, under United Nations' auspices, for a meeting of leaders of African states directly concerned at the highest level to consider urgently what steps might be taken to bring to Congolese situation under control before it is allowed to threaten peace more directly. I have in mind that perhaps the President of the Assembly might call a meeting of African states which might consider measures to be recommended to the Security Council with a view to providing a solution of the present Congo difficulties. There is an advantage in asking Africans to deal with an African situation but I do not think that the issue with which we are faced concerns the African states alone and I do not think that the United Nations should abdicate completely to African states in the present circumstances. There is bound to be a problem as to the composition of the meeting. This is a matter for negotiation but if the worst came to the worst, I do not think that the West should accept less than a 50-50 proposition. I envisage that the African leaders might come up with suggestions concerning the introduction of arms into the Congo, the withdrawal of "volunteers," the supervision of the kind of assistance which should be provided, etc.

M. CADIEUX

13.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], February 16, 1961

Present

The Prime Minister and Acting Secretary of State for External Affairs (Mr. Diefenbaker) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),

The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

SITUATION IN THE CONGO

1. *The Prime Minister, as Acting Secretary of State for External Affairs*, said that the government of Mr. Gizenga, as successor to Mr. Lumumba, had already been recognized by the U.S.S.R., Ghana, Guinea and the United Arab Republic. It appeared likely that Mr. Gizenga would try to establish his government in other parts of the Congo.

He deplored the disorders that had occurred⁷ on the previous day at the United Nations Security Council. He expressed gratification, however, at the forthright statement by President Kennedy at a televised press conference later on that day, that the United States would act to support the United Nations if any nation should take unilateral action in the Congo.

2. *During the brief discussion* it was stated that Mr. Gizenga had a force of 2,000 troops, and might soon attack Stanleyville.

3. *The Cabinet* noted the statement of the Prime Minister, as Acting Secretary of State for External Affairs, on the situation in the Congo.

...

14.

DEA/6386-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], February 20, 1961

CONGO – USE OF RCAF NORTH STAR AIRCRAFT

You will recall that the commitment entered into by the Canadian Government last September to provide two North Star flights per week in support of the external airlift for the U.N. forces in the Congo was extended for a further period of ninety days last December. This extended period will expire on March 9, 1961 and the U.N. Secretariat has now requested that it be again extended for at least an additional period of ninety days. The reason given by the U.N. is that although normal supply requirements for the ONUC are now sea-lifted, the twice weekly North Star flights provided by the Canadian Government continue to be an essential part of the support operation.

2. In view of recent developments in the Congo, and of the public position which the Government has taken on them, it would seem more than ever essential that the U.N. presence

⁷ Voir/See "Riot in Gallery Halts U.N. Debate," *New York Times*, February 16, 1961, p.1.

there be maintained and adequately supported logistically, and that Canada should not take any action which might suggest a declining interest in the ONUC, or which might imply that we intend to scale down Canadian participation in the Force. For this reason, I would recommend that the further extension requested by the U.N. be granted subject to re-consideration of the problem in the light of developments during the additional ninety-day period. I attach for your signature, if you agree, a letter† along those lines to the Minister of National Defence.⁸

N.A. R[OBERTSON]

15.

DEA/6386-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], February 21, 1961

CONGO: SECURITY COUNCIL DEBATE

Early this morning, the Permanent Mission in New York reported by telephone on the outcome of the Security Council debate on the Congo situation. At that time, the Council had rejected the Soviet draft resolution, calling for the dismissal of the Secretary-General and the withdrawal of the United Nations operation in the Congo, by a vote of one in favour, eight against and two abstentions (Ceylon, United Arab Republic). The Council had adopted the draft resolution, submitted by Ceylon, Liberia and the United Arab Republic, and containing a clarified programme for the United Nations operations in the Congo, by a vote of nine in favour, none against and two abstentions (France and the Soviet Union). The Council was still considering another draft resolution, submitted by the African-Asian members, which dealt with the political assassinations and called for an investigation of them. We learned later that this third resolution was not adopted because it failed to have the support of seven members of the Council (the Western powers abstained).

2. The result in the Council has been hailed by the press as a defeat for the Soviet Union and a victory for the Secretary-General. Certainly, the Soviet attempt to remove the Secretary-General through Council action has been blocked. However, the Secretary-General has not been specifically supported by the African-Asians because their draft resolution, while calling for further United Nations action, makes no direct reference to the Secretary-General.

3. By implication, of course, the Secretary-General will continue to be the executive authority in the implementation of the three-power resolution. The African-Asians can be expected to play an active part in seeing to it that the various provisions of the draft resolution are carried out. Some of these, like the withdrawal and evacuation of "all Belgian and other foreign military and paramilitary personnel and political advisers not under United Nations command, and mercenaries" will probably require complementary diplomatic action to persuade the governments concerned to co-operate. The impartial investigation of political assassinations in the Congo and the punishment of "perpetrators of these crimes" is another provision which may be difficult to implement.

⁸ Note marginale :/Marginal note:
Signed by SSEA 22/2. R. C[ampbell]

4. Some of the elements which contributed to the success of the Council deliberations appear to have been:

(a) The firm stand taken by the United States in support of a continuing role for the United Nations. The United States representative made clear to the Council and to all members of the United Nations that the United States would not stand idle in the face of a United Nations collapse in the Congo but would take action to prevent chaos in that country and to counter any outside interference. This strong statement had the effect of persuading the African-Asians to rally behind the United Nations effort in the Congo and to take the steps necessary to make the United Nations operation more effective. The African-Asians were made to realize that, if both the Soviet Union and the United States meant business, the Congo would not only become battleground in the cold war but perhaps the scene of actual fighting involving the Great Powers. Fear of this result prompted the African-Asians to unite in an effort to preserve the United Nations approach.

(b) India shifted its position significantly by concentrating immediate attention on the need to avert civil war in the Congo and to restore order. Before Christmas, the Indians strongly supported Lumumba and called for the immediate convening of parliament. More recently, they have emphasized the urgent need to restore peace and security and, in effect, conditions in which there could be an early return to constitutional government. This important shift of emphasis has not been reflected so much in the public statements of India as in the essence of the position the Indians have taken in recent negotiations behind the scenes in New York. India is now prepared, according to reports, to give strong military support to the United Nations in the Congo.

(c) The position of the United Arab Republic has been interesting and important. The fact that Nasser has chosen to take the initiative in the Security Council rather than to follow Guinea and Mali in supporting the Soviet Union suggests that he may have had his own reasons for wishing to loosen once again the Soviet embrace. Nasser may have regarded, moreover, that open conflict between Gizenga and Kasavubu, each supported from outside, was a risk which he was not prepared to run. It may also have been his calculation that Gizenga in the short term would not be strong enough to resist the combined fighting force of Kasavubu and Tshombe. A return to the United Nations approach could be expected to take the heat out of the situation and allow time for re-organizing the Gizenga faction for the eventual political show-down.

5. The critical factor in the situation now may be the reaction of Belgium and perhaps France. If these countries are prepared to co-operate with the United Nations, it seems possible that with increased military and economic strength the Organization may be able to make headway on the programme contained in the three-power resolution. Particularly, the Belgian position may depend on the degree of pressure which is exerted on Belgium's allies, principally the United States and the United Kingdom. The United States, however, appears firmly committed to the United Nations approach and this would imply a determination to render diplomatic support as well as the material assistance needed by the United Nations.

6. Quite apart from the Belgian attitude will be that of Tshombe. For a time at least, he may believe that he can defy the United Nations. However, if the United Nations presence in Katanga can be reinforced and if the external props are removed, his position will be less tenable and he will be better disposed to reach accommodation with the other political leaders in the Congo.

7. While there is cause for mild optimism about the fact that the Security Council has been able to reach a decision in favour of further action by the United Nations in the Congo, it would be a mistake not to be cautious about the difficulties. In trying to prevent civil war, for example, the United Nations could become involved in heavy fighting. The main source of

satisfaction surely is that the United Nations has been authorized to continue its effort, that the initiative has passed to the African-Asians, who seem disposed to support the United Nations, and that United Nations has a fair opportunity to recoup its losses in the Congo.

N.A. R[OBERTSON]

16.

DEA/6386-40

Note

Memorandum

SECRET

[Ottawa], February 24, 1961

THE CONGO

A new phase of developments in and relating to the Congo has been opened, with the passage by the Security Council on February 21 of an Afro-Asian resolution designed largely to forestall the prospect of civil war in the wake of the death of Patrice Lumumba. Some encouragement may be drawn from this active re-association of some of the leading African and Asian countries with the UN effort to reverse the trend toward disintegration in the Congo. At the same time, the limitations of the current initiative cannot be ignored. As the Secretary-General pointed out in welcoming the resolution, it provides a "stronger and more clear framework" for UN action, but does not broaden the legal basis for UN involvement or provide any "new means for implementation." Moreover, the alignment of external forces behind the various conflicting elements within the Congo continues to aggravate the situation; since the announcement of Lumumba's death the Stanleyville régime headed by his lieutenant, Antoine Gizenga, has been formally recognized as the legal government of the Congo by most Soviet bloc countries, and by several African states including the UAR and Ghana.

Nevertheless, a Security Council resolution promoted by Afro-Asians which reaffirms the paramount role of the UN in sorting out affairs in the Congo offers a fresh start for all concerned, and an opportunity to introduce new effectiveness into the UN action. The principal clauses of the resolution call for cessation of all military operations, with force to be used by the UN as a last resort to secure compliance; evacuation of all Belgian and other foreign, non-UN military personnel and political advisers; investigation of Lumumba's death; convening of parliament in secure conditions; and reorganization of the Congolese armed forces. While apparently unexceptionable from an objective viewpoint, these proposals have aroused sharply adverse reactions from several of the more actively interested parties both within and outside the Congo. Both the Ileo Government in Leopoldville and the Tshombe régime in Katanga have made clear their opposition to having their forces neutralized. The Soviet Union, which had utilized the Congo debate in the Security Council for an assault of unparalleled ferocity on the person of the Secretary-General, may be expected to continue exploiting every opportunity to undermine the UN operation. Belgium will have difficulty in reconciling itself to the unequivocal demand for further and rapid limitation of Belgian influence. Most critical for the successful implementation of the Security Council resolution, however, will be the response of the leading Afro-Asian states. How realistic and effective this response will be can only be tentatively assessed at this stage.

Co-sponsorship of the resolution by the UAR, which has represented a principal focus of support for Lumumba and in this cause has given physical as well as moral support to the Gizenga régime, may indicate that the UAR has reached a point of decision in its Congo policy. Although it has withdrawn its contingent from the UN force, and while it undoubtedly will seek to interpret the Security Council resolution in a manner favourable to the Stanleyville

régime, the UAR with the departure of Mr. Lumumba from the scene may find its way clear to work gradually back to a less negative attitude toward the UN effort.

The Commonwealth country which has been most directly involved in the Congo, Ghana, also was openly committed to the support of Lumumba. Nevertheless, Prime Minister N^oKrumah has persistently clung to the principle of a primary role for the UN in the Congo, no matter how vigorously he has condemned the implementation of the UN mandate. Ghana so far has maintained its 1200-man force in the Congo, and apparently has made some effort to persuade Morocco to keep its contingent there as well. In a message of February 18 to the Secretary-General, Mr. N^oKrumah indicated his deep concern at the further deterioration of conditions in the Congo, and outlined a comprehensive plan for reorganizing the UN activities under an exclusively African UN command. Although Ghana was not directly associated with the February 21 resolution, several elements in it may be expected to appeal to Prime Minister N^oKrumah.

Of the other African states which have most vigorously supported Lumumba, Guinea and Mali remain vociferous in their endorsement of the Gizenga régime and in condemning the UN operation. Morocco has taken a much more cautious position; although it has declared its disillusionment with the UN exercise, there have been indications that Morocco is wavering in its determination to withdraw its 3200-man contingent, part of which still remains in the Congo.

Leaving aside the participants in the Casablanca meeting, several African states – and in particular Ethiopia, the Sudan, Tunisia and the remaining former French territories – have taken a stand generally supporting the UN effort, and have avoided strong commitments to any single faction in the Congo. An exception is the pro-Kasavubu Government of the Congo (Brazzaville) Republic.

Nigeria, with 1500 troops and considerable influence (the President of the Conciliation Commission is a Nigerian) also takes a firm stand in support of the UN role. Nigeria was associated with the drafting of the Security Council resolution of February 21, for which it expressed strong support.

India has been an active participant in the UN exercise in the Congo, and it seems likely that its involvement may assume increased importance. In addition to maintaining a 780-man non-combatant contingent in the Congo, India has several of its nationals in top positions in the UN Congo structure. These include Rajeshwar Dayal, the Secretary-General's political representative, and Brigadier Rikhye, his military adviser. India's position has been that the Congo parliament represents the only acceptable source of a constitutional solution to the struggle for power within the country. This also involved support for Lumumba as Prime Minister, but any other Prime Minister chosen legally by parliament probably would be equally acceptable. India recognizes Kasavubu as head of state. While emphasizing the importance of a distinctively Congolese solution to the country's problems, India has shown grave concern at the prospect of collapse of the UN effort, urging that this would be disastrous both for the Congo and for the UN. Against this background India expressed strong support for the February 21 resolution, and indicated that it would make whatever further contribution to the UN operation might become desirable.

Malaya contributes a contingent to the UN force in the Congo, and it seems likely that Malayan participation will be expanded. Pakistan has contributed a contingent of non-combatant troops to the U.N. operation and in its public pronouncements has conveyed support for the Secretary-General and the UN role.

The general position of the remaining members of the Commonwealth – the U.K., Australia, New Zealand and South Africa – in respect of the Congo has been to avoid

involvement in the country's internal conflicts, and to support the UN effort on a pragmatic basis.

Soviet policy in respect of the Congo has involved vehement support for pro-Lumumba elements, and correspondingly violent opposition to Mobutu, Kasavubu and Tshombe. The difficulties of the UN operation have been exploited in destructive criticism of the UN structure and Mr. Hammarskjöld personally, while the attitudes of Belgium and the "imperialist" Western powers generally have been vigorously attacked as well. The recent Soviet resolution before the Security Council, calling for complete withdrawal of the UN forces from the Congo within a month and removal of Mr. Hammarskjöld from his office, received only the Soviet vote, with the UAR and Ceylon abstaining. The Soviet Union abstained on the successful Afro-Asian resolution.

Belgium, with close traditional ties to the Congo and large numbers of nationals employed by both the Tshombe and Kasavubu régimes, retains considerable influence there. Belgian policy presumably has been to support first Congo unity and hence the Kasavubu Government and, if this régime fails, to fall back on support for Tshombe and his régime in Katanga where the bulk of Belgian investments are concentrated. More recently the Belgian Government has shown a tendency to encourage cooperation of Belgian nationals with UN officials in the Congo; but how far this measure of cooperation will survive or be extended under the recent Security Council resolution remains to be seen. The Belgian position is strongly supported by Portugal and, in a more discreet way, by France.

The United States under the Kennedy Administration has adopted a more dynamic approach to the Congo problem. Its declared support for the Secretary-General's recent proposals – including plans for reorganization of the Congolese Army, political conciliation and increased aid for the Congo – provided a useful background for the current Afro-Asian initiative.

The Security Council resolution of February 21 gives expression to a number of proposals included in the preliminary report submitted to the UN Advisory Committee on the Congo by the Conciliation Commission of 14 Afro-Asian representatives, which had spent several weeks in the Congo. It is not clear what will be the future role of the Conciliation Commission, which suffered severe divisions within its ranks in the course of its difficult mission.

In the formidable task of seeking to implement the Security Council resolution, Mr. Hammarskjöld has indicated that he intends to involve the Advisory Committee more directly than previously in his decisions and actions. (This committee includes Canada, Ireland and Sweden as well as its 14 Afro-Asian members.) Initial measures to give effect to the resolution will have to be concentrated on bolstering the UN force; Brigadier Rikhye has estimated that 25 battalions are needed to implement the peace-restoring clause in the resolution, whereas only 16 battalions will be left in the Congo when withdrawals now in progress are completed. In seeking new contributions, appeals are being addressed first to African and Asian states, although it may become necessary or desirable later to ask for reinforcements from other sources. A particular sensitive factor in recruiting enlarged or new contributions involves the reservations which many governments may be expected to hold concerning the manner in which their troops may be used in the Congo. The Security Council resolution apparently gives the force somewhat broader scope for action than previously, when its military function has been largely limited to self-defence.

Concurrent action is being taken by the Secretary-General to implement other clauses in the Afro-Asian resolution. Communications are being directed to the various political leaders in the Congo, and to the Belgian and other governments, exhorting full compliance with the terms of the resolution.

Canada has consistently held that the UN must play the key role in the Congo problem, that the UN operation must be supported and reinvigorated and that its failure would have very serious consequences. To the extent that the resolution of February 21 provides the means for strengthening the hand of the UN and its Chief Executive Officers, and contributes to making the UN the exclusive channel for foreign participation in Congolese affairs, it is a step to be welcomed. Of particular interest to Canada is the support which this initiative has evoked from African and Asian members of the Commonwealth, who may be expected to play an increasingly significant part in determining the course and outcome of the UN effort in the Congo.

17.

DEA/6386-40

*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 25, 1961

CONGO QUESTIONS AFFECTING BELGIUM – GUIDANCE FOR NATO DISCUSSION

It appears certain that the implications for Belgium of the latest Security Council resolution on the Congo will be discussed in NATO early in the week. (Belgium has already taken up in NATO the question of attacks on Belgian embassies.) Attached for your consideration is a suggested telegram† indicating the line our delegation might take in this discussion.

2. It is the Department's estimate both that heavy demands are being made on Belgium, and that Belgium's wholehearted cooperation is essential if the Security Council resolution is to be implemented and if the UN effort in the Congo is to succeed. (These points are the subject of a more detailed memorandum which will be going forward to you.) The preliminary indications are that Belgium is disposed to be cooperative; we know from New York, however, that a somewhat peremptory message has gone to the Belgian Permanent Representative, and the Belgian Government is likely to find this message difficult to accept immediately and in its entirety.

3. In the circumstances, it is recommended that we take an attitude of sympathetic encouragement towards Belgium, while not deviating from insistence on the paramount importance of implementing the Security Council resolution.⁹

N.A. R[OBERTSON]

⁹ Note marginale :/Marginal note:
Signed by SSEA 28/2. R. C[ampbell]

18.

DEA/6386-40

*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 460

New York, March 10, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel ME-74 Mar 7.†

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, Cairo (Deferred), Brussels from Ottawa, DND, CCOS, CGS, CAS, DNI, DMI, DAI from Ottawa. By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London.

CONGO – POLICY QUESTIONS

I should like to comment on two points arising out of your very helpful reference telegram. My thought is that, if you agreed and if it still appeared appropriate to do so by that time, these points might be touched upon in our intervention in the Congo debate.

2. In paragraph 7 of your reference telegram you very rightly emphasize the importance of keeping clearly in view the ends to which the UN operation is directed. It seems to me that it is almost equally important that these ends should be clearly understood by the Congolese themselves. The importance of a major UN public relations effort has been stressed in the Advisory Committee by Slim of Tunisia, and I have given my support. Much of the recent trouble in the Congo arises out of misunderstanding, which is to some extent traceable to the failure of the UN's representatives in the Congo to make their position wholly clear. (This situation is exemplified in paragraph 4 of telegram 67 March 6† from our representative in Leopoldville which states that "no repeat no attempts on the part of the UN command were made locally to deny belief inspired by the government that UN intends to disarm Congolese troops.") While I would not repeat not propose to assign blame publicly, I think it might be useful to urge action to make the UN's position clear.

3. Your emphasis in paragraph 9 of your reference telegram on the urgent need to establish more effective consultation and mutual confidence between the UN and Congolese political leaders underlines an issue which is beginning to take shape in the Advisory Committee and may prove to be of major importance in next week's debate.

4. This issue was stated in crude and provocative but effective terms at Tuesday night's Advisory Committee meeting (on which we are reporting separately) by Wachuku of Nigeria. He accused the Advisory Committee and the UN generally of fighting shy of a most important decision: whether the Congo was to continue to be regarded as a sovereign and independent member of the UN, or as a UN trust territory; if the former, whether there was a valid constitution in existence; if so, what Congolese authorities were legal under it. The UN would have to face up to the decision, Wachuku said, and once it had decided there would have to be an end to propaganda and great power politics.

5. Jha of India took issue with the presentation of the problem in this form, and the Secretary-General expressed the hope that the Congolese themselves would "make up our minds for us."

6. It is becoming increasingly apparent, however, that they are unlikely to do so, or at the least that it will be impossible to obtain any agreement internationally that they have done so. Gizenga's refusal to attend the Tananarive meeting points up the fact that at least one of the factional leaders in the Congo will be likely to boycott any meeting which is called to consider steps leading towards the formation of an all-Congolese Government. Subsequently it will be

open to that leader and to his friends in the UN to reject whatever agreement may have been reached. In effect, each factional leader has a veto over such agreement, at any time or in any circumstances he thinks unfavourable.

7. Yet at some point the UN has got to have a Congolese Government with which it can deal, unless, of course, as Wachuku says, it accepts one of the other two possibilities of anarchy indefinitely or some sort of UN trusteeship over the Congo.

8. This last possibility, which Nigeria for one rejects categorically, seems to be what the Congolese civil and military leaders principally fear. The existence of such fears (which may, incidentally, be enhanced by some of N'Krumah's ideas) and the manifestations they can give rise to, lead me to feel that it is urgently important to accompany the current re-definition of the circumstances in which force may be used with some more positive and immediate goal than the vague hope that the Congolese will, at some time in the indefinite future, find for themselves a leadership which will satisfy everyone that it is the valid repository of the sovereignty of the Congolese state.

9. The UN is being pushed towards a decision whose importance and urgency are becoming increasingly apparent, but whose achievement is becoming increasingly difficult. It is happening when some even of those who are not repeat not committed to one of the separatist claimants are moving farther away from acceptance of any existing Congolese authority – witness Jha's belief that Kasavubu has ruled himself out of court as everything but Head of State (which appears to mean little or nothing in the Indian lexicon) by his association with anti-UN acts.

10. My own feeling is that the importance of having some sort of central Congolese authority with which the UN can and will deal must be firmly stressed. This is all the more important if there is to be a chance of a new start under a successor to Dayal. Kasavubu's proposals for re-organization with UN assistance of the Congolese armed forces (see our telegram 438 Mar 8)† might, for example, be a real basis for negotiation between the UN and a responsible Congolese authority if any such were recognized. The proposals themselves raise serious difficulties only if there is no repeat no recognized central authority.

11. This does not repeat not necessarily mean that we should commit ourselves to the Kasavubu-Ileo régime. But we do have a case, I think, for urging that the UN take a more constructive approach to the Congo problem, in two respects. First, the UN should make a determined effort to reach agreement on a realistic statement of the conditions which will need to be met by any authority seeking general recognition as an all-Congolese régime; at the least, there should be agreement on steps which would be accepted as leading towards the formation of a valid all-Congolese Government. Second, there should be a deliberate effort in the meantime to widen the area of practical cooperation between the UN in the Congo and the *de facto* Congolese authorities in the different areas, without of course either raising any question of *de jure* recognition or enhancing the military strength of regional régimes.

12. We shall have probably by March 14 the first report of the Conciliation Commission which, if it reflects the principles contained in the preliminary report of the Commission, may give us something to build on (although we do not repeat not yet know how many members of the commission have signed the first report.)

19.

DEA/6386-40

*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 502

New York, March 14, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 496 Mar 14.†

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, Cairo (Deferred), Brussels from Ottawa, DND, CCOS, CGS, CAS, DNI, DMI, DAI from Ottawa. By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London.

CONGO ADVISORY COMMITTEE MEETING – MARCH 13, 1961

Before yesterday's Advisory Committee met I had a talk with Secretary-General. I found him in a somewhat tense state. He was indignant at the behaviour of the Congolese authorities over Matadi¹⁰ and said that all new evidence reaching him put the Congolese attitude in an even worse light and clearly showed Belgian influences at work. He referred bitterly to a recent episode in which Swedish personnel captured by ANC had been made to walk naked in the street.

2. Turning to the communiqué of the Tananarive Conference¹¹ Mr. Hammarskjöld said that the meeting of the Congolese leaders was simply an assembly of political personalities and that it had no repeat no constitutional status. He was convinced that Belgian influence had been strongly at work in drafting plans for the new Congolese Confederation. He went on to say that the abandonment by President Kasavubu of the *loi fondamentale* and the new position he had assumed as President of a Confederation raised the whole question of the validity of his position as Head of the Congolese State. He then told me that he proposed to bring this question to the attention of the Advisory Committee and read me quotations from the statement he proposed to make (see my reference telegram). I expressed some doubt as to the desirability of raising at this stage the question of President Kasavubu's position as Head of State. I pointed out that this would certainly lead eventually to a bitter dispute as to whether Kasavubu remained Head of State. Meanwhile it was always possible that the Tananarive decisions might be mitigated in the subsequent round of meetings which were planned by the Congolese leaders as part of the process of constitution making. I added that while it might be difficult to defend the constitutional legality of President Kasavubu's position unless it had received parliamentary or popular approval the fact remained that many states in UN African and other had credentials from heads of state whose own positions in terms of constitutional legality might be very dubious. (We seemed to be applying criteria of legal and democratic purity to Congo which we do not repeat not apply to a number of other governments of member states.)

3. The Secretary-General recognized that the question of Kasavubu's continued position as Head of State would cause a cleavage in UN but seemed to regard this as inevitable. In any event he pointed out that he was not repeat not prejudging the issue but only raising it.

4. I then said to the Secretary-General that he might have noticed that in my interventions in the Advisory Committee I had placed a good deal of emphasis on need to inform such public opinion as existed in the Congo more fully as to the intentions of UN and in particular to

¹⁰ Voir/See Henry Tanner, "Congo Again Bars U.N. from Matadi," *New York Times*, March 9, 1961, p. 4.

¹¹ Voir/See "Statement by Congo Chiefs," *New York Times*, March 13, 1961, p. 2.

disabuse their minds on the idea that UN force was going to disarm ANC. I said that reports from our own representative in Leopoldville strengthened my impression that much too little was being done in this direction and that many unnecessary misunderstandings and suspicions were being allowed to grow up. Mr. Hammarskjöld acknowledged that there was truth in this criticism and said that he now planned to record a statement explaining UN purposes which could be broadcast over Congo radio. I said I was glad to hear of this step which I thought might have been taken earlier.

5. In my reference telegram I have outlined Secretary-General's subsequent presentation to the Advisory Committee and the reactions of the members of the committee. I still feel that it was unfortunate that Mr. Hammarskjöld should have raised the issue of President Kasavubu's status in what seems to me a precipitate manner. I think his reasoning has been that the Casablanca powers and perhaps other Afro-Asians also will raise this matter and that he should get in first. In my opinion however his statement cannot repeat not fail to cast doubts on the President's status and make working relations with Congolese authorities more difficult.

6. I believe that we shall shortly be facing in UNGA a new cleavage as a result of Tananarive Conference decisions. If Congolese leaders had declared themselves for a federation however loose instead of a confederation of separate states the position might be easier (and they could have obtained the same results) but their present decisions will at once lend themselves to the accusation that Congolese State has been dismembered. The cry will go up that Tshombe and his Belgian advisers have succeeded in "balkanizing" the Congo in the interests of continued indirect Belgian control. Apart from USSR which will of course lead attack many African states including probably all the Casablanca powers will react unfavourably to the Tananarive decisions. Even other African states more disposed to friendship with Kasavubu (e.g. Nigeria) will have difficulty in supporting a solution which breaks up the unitary state of Congo as they may hold this a dangerous example for their countries.

7. Of course so far as Congo itself is concerned any step in the direction of conciliation and of peaceable arrangements among its leaders should be welcomed and to this extent there may be an echo of approval from French African states and from others although the absence of Gizenga leaves open the question as to whether the new constitutional arrangements are to be imposed by force on the territories which he controls.

8. Certainly the position of UN in Congo and the position of governments contributing troops becomes daily more complicated and potentially dangerous while the objective of UN operation becomes more obscure. Will countries such as Ghana or even India be disposed to accept the new Tananarive dispensation or will they feel that the object of UN operation in Congo should be to sweep aside the Tananarive decisions, to ensure the summoning of parliament and the restoration of the unity of the Congo? On the other hand will other countries contributing forces conceive it to be their responsibility to impose (perhaps by force), a parliamentary and unitary régime on Congo in defiance of the wishes of most of the Congolese leaders (including incidentally all those who take a pro-western and anti-communist policy line)?

9. It is possible that these differences of opinion may crystallize over the question of the status of Kasavubu as Head of State and the credentials of the present Congolese delegation.

10. It is not repeat not likely that those who were active in seating Kasavubu's representative such as USA, UK etc. will lightly throw him over. Indeed without continued recognition of Kasavubu's status there is no repeat no legal entity left in Congo with whom to deal.

11. I need not repeat not labour the grave difficulties which these developments will present to us. Meanwhile my suggestions would be:

- (1) that whatever the eventual outcome of the constitutional problems posed by the Tananarive decisions we should continue to attempt to improve our working relations with the existing Congolese authorities by a mixture of firmness and active conciliation;
- (2) that we should not repeat not prejudge the question of President Kasavubu's eventual status or the final framework of the Congolese constitution but await the outcome of the series of further meetings that Congolese leaders forecast in the conference communiqué;
- (3) that we should express the hope that whatever the outcome for Congo it may secure parliamentary approval or be submitted to the electorate for confirmation. This may take time in view of the unsettled state of the country;
- (4) that we should attempt to employ our influence with the Belgians themselves and with our allies in NATO to persuade the Belgians that even in their own interests they should avoid crude manifestations of their influence and intentions in Congo (e.g. the continued presence of military and political advisers and the overt hold which they exercise over Tshombe in Katanga.) The Belgians have certainly made our own position infinitely more difficult by their tactics;
- (5) that we should attempt to assimilate our position to those of the Afro-Asian group who find themselves in varying measure in the same situation as ourselves. Tunisia, Sudan, Nigeria, Liberia, Pakistan and some of the French Africans and perhaps others are friends worth cultivating in this connection. We shall also find points of common interest with India especially but also with Ghana, Indonesia and even UAR. We are certainly not repeat not the only ones to wish to avoid an impossible dilemma in Congo.

12. I should be grateful for your comments and instructions on the policy consideration raised in this message.

[C.S.A.] RITCHIE

20.

DEA/6386-40

*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 ME-89

Ottawa, March 16, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 502 of Mar 14.

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, Brussels (Routine) Cairo (Deferred).

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv, Leopoldville from London, DND, CCOS, CGS, CAS, DNI, DMI, DAI.

CONGO POLICY: IMPACT OF TANANARIVE CONFERENCE

I fully endorse the general line which you took in your talk with the Secretary-General about the outcome of the Tananarive Conference. While appreciating the grounds for the Secretary-General's concern at the prospect that the decisions of the conference may further complicate the task of the UN in the Congo, I share your view that the timing and manner of his presentation of these considerations to the Advisory Committee was unfortunate. Undue

emphasis on the possibility that such difficulties might arise could indeed contribute to their development.

2. The approach outlined in paragraph 11 of your reference telegram coincides generally with our own thinking here on the current trend of developments. You may be guided by the following views in your discussions with the Secretariat, and in formulating any intervention in the Advisory Committee which may seem desirable. In this respect I agree that there is merit in attempting to assimilate our approach to that of the more moderate and constructive Afro-Asian elements in the committee who share our concern to head off any further complication for the UN operation.

3. The directives governing UN action in the Congo have as a major objective the preservation of its unity; but clearly, within this governing limitation, the ultimate constitutional pattern of the country is not repeat not and cannot be the primary preoccupation of the UN at the present juncture. The events of the past few weeks have underlined the urgency of concentrating upon strengthening and consolidating the working relationship of the UN with the Congolese authorities with whom it must deal in its day-to-day operations. One of the pre-eminent figures in this respect obviously is President Kasavubu, particularly because his position as Head of State has been recognized by the UN and therefore provides a legally established, though not the exclusive, channel for UN relations with the Congolese. As I emphasized in telegram number 82 of March 10,[†] it is important in this respect that every effort should be made to build upon the generally conciliatory tone of President Kasavubu's recent approach to the Secretary-General concerning re-organization of the Congolese armed forces. Any inclination on the part of the UN at this time to call in question or to debate the currently recognized authority of the President could be calculated to impair any hope of establishing the cooperative working relationship with him which is so urgently required. In particular, if the UN purpose is to convince Congolese leaders that their interest lies in preserving a united Congo, whether organized on a unitary or federal basis, any condemnatory statement now by the Secretary-General would defeat this purpose.

4. Moreover, it is surely both premature and hypothetical to make the Tananarive communiqué the basis for a reappraisal of the legitimacy of President Kasavubu's position. The emphasis of the communiqué is on broad general indications of intention; and no less than two further conferences are explicitly envisaged, on dates not yet decided, to take up "the task of specifying measures which have to be taken to apply" the decisions reached at Tananarive. The present stage of this consultative operation could hardly seem to offer sufficient grounds for re-examining the whole question of the validity of Mr. Kasavubu's position as Head of the Congolese State, as the Secretary-General has implied. It may be relevant to note that even Gizenga continues to recognize Kasavubu as Head of State.

5. Almost equally disturbing is the Secretary-General's emphasis on his view that the Tananarive meeting had no constitutional standing. Like his other major point, this contention may enjoy some legal validity. Open enunciation of this attitude, however, would not repeat not assist the UN in its dealings with the various Congolese leaders who attended the conference; and the cooperation of several of these in addition to President Kasavubu is vital if the UN is to make progress with its immediate task of restoring order in the Congo.

6. The reference in the Tananarive communiqué concerning annulment of the Security Council resolution perhaps should be read in the context of the atmosphere in which the communiqué was formulated. From the viewpoint of the relatively unsophisticated Congolese leaders concerned, this may well have appeared as a more or less logical complement to the other decisions taken at the meeting. It should not repeat not be regarded too seriously as a conscious attempt to reject the continued validity of the UN operation.

7. A more constructive approach to the whole question of the Tananarive decisions would seem to lie in adopting the position that they represent a basis for further discussions which are being planned, and that the fact of such consultations among Congolese leaders (as distinct from the specific direction which they seem to have taken thus far) is not repeat not in itself an unhealthy development. While the outcome of these progressive consultations may come to be of fundamental significance for the achievement of the long-term UN objectives in the Congo, the immediate UN concern must be with its more urgent peace-restoring functions. These make it imperative that the UN should make every effort to enlist the support and cooperation of the effective political and military leaders in all parts of the Congo including those from Orientale. Such measure of understanding as may now exist between the UN and these leaders is far too tenuous to bear the strains of censure by the UN of participation by such Congolese personalities in political consultations affecting the future of their country. Discussion along these lines in the Advisory Committee would seem undesirable, and of course similar debate in any public UN forum would be even more unfortunate.

8. In the light of these considerations, I thoroughly agree with the views expressed in sub-paragraphs (1) and (2) of paragraph 11 of your reference telegram, and you should continue to base your comments primarily on these points. Sub-paragraphs (4) and (5) represent continuing aspects of our approach to the Congo problem generally, which should be reflected as appropriate.

9. In the long run, I think the suggestion in your third point has much merit. The people of the Congo should be given the opportunity, either through a parliament or by plebiscite, to approve their future constitutional structure. While there might be value in expressing such a hope in the Advisory Committee, I doubt whether it would be useful at this time for the committee to plan too far ahead. Certainly there is little hope that the real wishes of the people could be accurately ascertained until a much greater degree of stability prevails in the Congo. When the Congolese consultative process has reached a more advanced stage, the precise form in which the UN will have to express itself on this problem may be more clearly seen.

[H.C.] GREEN

21.

DEA/6386-40

*Le secrétaire d'État aux Affaires extérieures
au consul général par intérim au Congo*

*Secretary of State for External Affairs
to Acting Consul General in Congo*

TELEGRAM ME-92

Ottawa, March 17, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 76 Mar 17.†

Repeat for Information: Permis New York, London, Washington, NATO Paris, Paris, Brussels (Routine).

By Bag Accra, Lagos, Moscow, Belgrade, Cairo, DM/DND, CCOS, CGS, CAS.

YOUR APPOINTMENT WITH PRESIDENT KASAVUBU

While your first call on President Kasavubu appropriately will be devoted in considerable part to formalities, you should be guided by the following in the substantive discussion.

2. You should indicate to the President Canada's conception of the essential purposes of the UN in the Congo, to which our participation in ONUC is directed. As a distant country with no motives of direct self-interest in Africa, Canada seeks only to see the Congo restored in unity

and independence to conditions of stability and progress. Our efforts to assist the Congo are directed through the UN as the appropriate channel for international aid to emerging nations. In the Canadian view, the fundamental purpose of current UN activities in the Congo is to help the Congolese people to achieve conditions in which they can work out for themselves the solutions to their problems. A vital first step in this direction seems to be to assist in restoring public order in the country, for without a reasonable degree of internal security, normal political and economic development can not repeat not go forward.

3. You should express concern about relations between the Congolese authorities and UN personnel. You should say that it is the Canadian Government's hope that the President will do everything in his power, as Commander in Chief of the Congolese forces to prevent clashes between the ANC and the UN forces of the sort which have recently exposed Canadian personnel to attacks, since such incidents arouse widespread resentment and make more difficult a mutually beneficial relationship, to which Canada attaches great importance. You could suggest that President Kasavubu's influence could be made manifest throughout the country and to the world at large by exercising control over the ANC and promoting the fullest possible cooperation with the UN in pursuit of common objectives.

4. We shall, of course, be very interested in any comments the President may be prepared to offer on the outcome of the Tananarive Conference and the prospects for further consultations among Congolese leaders.

[H.C.] GREEN

22.

DEA/6386-40

*Le consul général par intérim au Congo
au secrétaire d'État aux Affaires extérieures*

*Acting Consul General in Congo
to Secretary of State for External Affairs*

TELEGRAM 110

Leopoldville, April 5, 1961

CONFIDENTIAL. DEFERRED.

Reference: Your Tel ME-92 Mar 17.

Repeat for Information: Permis New York, Washington, London, NATO Paris, Paris, Brussels, Geneva, DM/DND, CCOS, CGS, CAS, DNI DAI, DMI, Cairo (Deferred) from Ottawa.

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Tel Aviv from London.

CALL ON PRESIDENT KASAVUBU

President received me yesterday. I informed him of views expressed in your reference telegram. President has more forceful personality than I had been given to understand. He definitely has all-Congo approach to Congolese problems and not repeat not only Bas-Congo interests of which he has often been accused. He is anything but a Belgian marionette. Following points were discussed.

2. On Congolese-UN relations President said there was no repeat no question of UN troops returning to Matadi for time being. Their return would result in incidents with local population. I explained difficult position of Secretary-General and said there appears to be no repeat no alternative to Congolese cooperation with UN except UN withdrawal. I mentioned Canadian Government understanding of UN contribution "as means to assist Congolese in achieving conditions in which they can work out for themselves solution to their problems." President said UN had made same mistakes as Belgians i.e. underestimated Congolese treated them as

children claiming they knew better what was good for the Congolese. UN aid under Dayal had amounted to the setting up of a UN Government for the Congo ignoring authority of President and creating division within country by encouraging minority groups against central government in addition to showing a marked preference for Gizenga. He criticized UN for trying to impose solutions prepared in New York at "L'échelle des Nations Unies" without knowledge of Congo and in complete disregard of Congolese Government. He wanted aid from UN but he did not repeat not want to be run by UN. I understand that UK ambassador visited him same morning to press President to accept Hammarskjöld's latest request to allow some 100 Nigerian police at Matadi but met with same stubborn refusal. UN-Congolese relations have been allowed to deteriorate for so long a period that I am afraid Congolese have lost complete confidence in UN and any future constructive contribution will have to be done on Congolese terms and conditions. Scott has since shown me his telegrams 702 and 704 April 4† (which Canada House may have already obtained) on talks he had with Nwokedi and Gardener. They are both going to propose that UN confine itself to providing advisers and technicians rather than continuing present overextended operation.

3. Since I was getting no repeat nowhere on Matadi I changed subject by remarking that Tananarive resolutions had failed to state clearly powers of central government and had led consequently to criticism that confederation would amount to Balkanization of former Belgian Congo. President commented along lines of Prime Minister Ileó (reference my telegram 106 April 4). † He went on to recall his role before independence as defender of federalist thesis i.e. Belgian opposition to him and eventual backing of Lumumba as means of establishing unitarian state. He had always opposed unitarism as unrealistic in view of numerous ethnical groups and size of Congo. But he said he had also opposed secession of Bas-Congo at time Katanga declared its secession. He was against disintegration of Congo into weak independent states such as had happened in former French Equatorial Africa. He had never recognized secession of Katanga nor that of South Kasai. "Tshombe can yell as much as he likes I will never agree to anything that would amount to recognition of separate Katanga state."

4. All through interview he was very critical of Belgian policy before and after independence as well as Belgian influence in Katanga. He said Tshombe some time ago before Tananarive conference had sent him a Belgian emissary to propose the merging of Katangese and South Kasai troops with ANC troops under Ileó to form anti-communist army against Gizenga. He had turned down proposal on unequivocal terms saying there was a danger greater than communism for Congolese: it was to be led into a false crusade which would bring civil war and close door irrevocably to negotiations and unity. "What would I do with Tshombe or Kalonji armies. One would kill the Balubas and the other the Lulus. I would not repeat not want my name to be associated with troops over which I would not repeat not have authority or control."

5. Speaking of Tshombe's occupation of Manono he said this was a contravention of spirit of Tananarive where it had been agreed all parties would refrain from use of force and settle their problems through negotiation. It is evident there is no repeat no love lost between him and Tshombe. At one point during interview he said Tshombe's policy did not repeat not benefit Katanga population but international cartels. He blamed Belgians for most of Congo's present difficulties. He held them responsible for Katanga's secession and for having left Congo unprepared for independence. He cited French Government's continued technical and financial aid to former French colonies. At same time he criticized UN for opposing employment of Belgian advisers when French and British citizens acted as such in their former colonies. UN had "deux poids et deux mesures." He said Congolese were capable of making distinction between the good and the bad Belgians.

6. I then asked what the possibilities were of a rapprochement with Stanleyville. President expressed confidence in such rapprochement but I gathered he had in mind a compromise with authorities of Orientale province and not repeat not necessarily with Gizenga whom he called "un homme fini un homme mort." He said Gizenga knew that he had no repeat no hope of ever being considered the legal government but was holding on as long as the communist and some Afro-Asian countries recognized him. He said Gizenga and General Lundula were only "une parenthèse" in solution of problem of return of Orientale and Kivu provinces to Congo family. They would have to come to an agreement. He also expressed confidence that return of Miruho as President of Kivu Province would help rapprochement with Leopoldville.

[MICHEL] GAUVIN

23.

DEA/6386-40

*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 ME-228

Ottawa, April 4, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 768 of April 7.†

CONGO RESOLUTIONS IN UNGA

In view of the tactical considerations involved and the remaining uncertainty as to the precise form in which the various resolutions will be taken up in the Assembly, it is not repeat not possible to provide comprehensive guidance at this stage, particularly on voting. The following comments and preliminary advice on voting will serve as the basis for whatever further guidance may be required as the situation develops.

2. The Pakistani resolution concerning Congolese political problems impresses us as being generally constructive both in tone and content. The procedures it proposes for restoring constitutional government seem to provide for a realistic combination of Congolese initiative with United Nations guidance and assistance. It appears desirable to support this sort of approach, particularly at a time when Congolese consultations aimed at national reconciliation are becoming more active. You should therefore plan to vote for the Pakistani resolution, and meanwhile you may make appropriate use of fact of our support for it in informal discussions concerning other resolutions.

3. A further consideration which contributes to the desirability of voting for the Pakistani resolution is the fact that we are unable to accept in its present form the Indian resolution on Belgian withdrawal. Leaving aside the generally uncompromising tone of this resolution, its reference to unspecified sanctions and the 21-day time limit it prescribes are unacceptable. As we have already pointed out in the apartheid debate, the principles of the Charter clearly require that sanctions should be invoked solely for the purpose of preventing or stopping international hostilities. Even if it could be shown that personnel under the effective control of the Belgian Government are contributing to internal disturbances in the Congo, such intervention would fall short of responsibility for a direct threat of international hostilities such as might justify contemplation of sanctions.

4. Moreover Belgium has explicitly confirmed its acceptance of the Security Council resolution and has indicated its readiness to withdraw personnel under unilateral Belgian control. It is of course all too clear that Belgium has by no means responded as promptly or as

adequately to the Security Council resolution as we and many other members of UNGA would wish; and a firm reiteration by UNGA of UN insistence on compliance may be salutary. However to frame such a measure in harsh and inflexible terms which take no account of Belgium's practical difficulties in compliance and are only likely to make the Belgian Government more intransigent would seem unfortunate, particularly while Mr. Sahbani is negotiating in Brussels. Moreover, as several Afro-Asian delegations have recognized, abrupt withdrawal of Belgian personnel without adequate arrangements for replacement might well lead to further deterioration of conditions in the Congo.

5. As the situation appears at present, I think you would have to abstain on the Indian resolution unless it were amended. The minimum essential revisions from our viewpoint would be deletion of the reference to sanctions and some modification of the time-limit clause. Possible alternatives in the latter respect might be to extend the time limit substantially, to make it applicable to a progress report on arrangements for withdrawal rather than to completion of such withdrawal, or to couple the time limit with some formula for providing acceptable UN replacements parallel with Belgian withdrawal. Although we fully appreciate the depth of Afro-Asian suspicion of and impatience with what they regard as Belgian procrastination, it would seem desirable to bring reasoning and influence to bear on the more moderate Afro-Asians and others, particularly the Irish and Swedes, with a view to securing constructive amendment of the more unrealistic portions of the Indian draft. I would hope that efforts in this direction may be successful, thereby averting the need for introduction of an alternative resolution.

6. Since the Soviet Union has made clear that its resolution has been submitted as a result of complete Soviet rejection of the Pakistani draft, it presumably will not attract Afro-Asian support, and therefore can be voted down if it is not withdrawn.

7. In view of the rapid pace at which events affecting the form and context of the various resolutions may be expected to develop between now and the time of voting, you will wish to keep in close touch with the department.

[H.C.] GREEN

24.

DEA/5475-6-40

*Note de la Direction des Nations Unies
pour le sous-secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], April 11, 1961

Reference: Candel telegram 784 of April 7, 1961.†

ROLE OF THE SECRETARY-GENERAL

On April 5, the Secretary-General made a statement during the course of the Congo debate in order to deal with attacks on him by members of the Soviet bloc. You may be interested in my comments on some of the points made by the Secretary-General.

2. He took the occasion to reject categorically the Soviet accusation that he was responsible for the assassination of Mr. Lumumba. He reminded the Assembly that these charges had not been substantiated and pointed out that, while responsible criticism could be a favourable contribution, irresponsible and destructive criticism could only weaken the United Nations. He no doubt intended this remark to apply mainly to the wild and unjust charge about Lumumba but he probably hoped that Assembly members would reflect as well on some of the other

charges and complaints which the Soviet bloc and some others have made without any effort to justify them. Mr. Hammarskjöld has consistently worked to encourage a sense of responsibility in member nations and, in effect, to maintain dignity and justice in the proceedings of the United Nations.

3. Mr. Hammarskjöld had been accused by Mr. Gromyko of taking advantage of the Office of Secretary-General and usurping the prerogatives of United Nations bodies. Consistent with his practice over the years, Mr. Hammarskjöld reviewed in detail the Security Council resolutions on the Congo since last July to show that they had been adopted either with the concurring vote of the Soviet Union or, when there had been no vote in the Council, with no formal objection from the Soviet Union. Mr. Hammarskjöld reminded the Assembly of his persistent efforts to make arrangements for the sharing of responsibility which efforts had not produced the appropriate response either from the Security Council or from the Assembly.

4. This, of course, is not a loose interpretation by the Secretary-General. In recent years, perhaps the most important development of the principal organs of the United Nations has been the evolving function of the Office of the Secretary-General under the leadership of Mr. Hammarskjöld. Especially in peace-keeping operations since 1956, procedures have been evolved whereby the Secretary-General has been given, on the one hand, heavy responsibility and on the other, considerable freedom of manoeuvre. This activity has been widespread in scope, ranging from the direction of complex operations, like the one in the Congo, to the appointment of a special United Nations representatives charged with missions of good offices.

5. The main significance of this evolution has been to provide for smooth and swift action which might otherwise not have been open to the United Nations. Through this means, the United Nations has been able to take effective action in situations in which a dangerous vacuum might have been created, either because the Security Council and the General Assembly hesitated to act or because they were prevented from doing so. Not infrequently, moreover, the Secretary-General has been required to act in response to directives and recommendations which were deliberately kept vague, partly because of the complications of the situation and partly because of the difficulty of obtaining the required support from the United Nations members.

6. This process of "letting Dag do it" gained momentum in the period 1956-1959. During that time, the United Nations was able to render most effective assistance not only to smaller states which had allowed their relations to deteriorate too far, but in allowing the Great Powers to disengage themselves gracefully from awkward situations. Most of these occurred in the Middle East.

7. This trend changed somewhat late in 1959 when the Secretary-General became involved in the situation in Laos. It became apparent his activity there would not be fully acceptable either to the United States or to the Soviet Union. His position vis-à-vis the Soviet Union was made worse, of course, by the clumsy manoeuvre in the Security Council in September 1959 whereby the Western powers managed to send a fact-finding sub-committee to Laos. Judging from my own experience in the Secretariat at that time, I believe that the Soviet concern about the unbridled activities of the Secretary-General became acute. You may recall that Mr. Hammarskjöld decided to place his representative in Vientiane even though he had heard strong expression of Soviet opposition.

8. In all these situations, Mr. Hammarskjöld employed the same technique. If no precise directive was forthcoming either from the Security Council or from the Assembly but only a vague request to the Secretary-General to take some action, he carefully assessed the constitutional position of the Secretary-General and decided what he thought the traffic would bear in terms of that position and in accordance with views which various member states expressed either in public debate or in private consultation with the Secretary-General. Even

when no resolution was adopted, the Secretary-General would state in advance the action which he intended to take unless there should be objection. In other words, in these situations the Secretary-General assumed the responsibility and took whatever action he considered necessary but always left it open to the member states to deprive him of responsibility or to block his action as long as they were prepared to object formally.

9. In the Congo, the Secretary-General's activities have been made much more difficult. The United Nations operations there began with a formal resolution by the Security Council which left the decision for detailed action mainly in the hands of the Secretary-General. In the early stages, the United Nations effort was supported by a majority of members. Later, however, various members, including the Soviet bloc, became dissatisfied with the way in which the Secretary-General was carrying out his mandate. Because of the disagreement in the membership, it has not proved possible to make that mandate more precise, although there has been some redefinition of it. The Secretary-General has had the assistance of the Congo Advisory Committee but there has been difference of opinion in that body too. Because of the demands of the situation in the Congo, the Secretary-General has been obliged to proceed with the United Nations operations, notwithstanding heavy attacks and sharp criticism. While he has, to some extent, taken into account the views of his attackers and critics, he has continued to act in what he considers the best interests of the United Nations in the light of the majority opinion. The indications are that he will proceed on this course as long as he has majority support or, in effect, until either the Security Council or the General Assembly has decided that the United Nations effort in the Congo should cease.

10. The Secretary-General's reply to the Soviet complaint that he had not involved the Department of Political and Security Council Affairs in the Congo operation is interesting. The Soviet Union apparently alleged that the Department had been ignored because it was headed by a Soviet citizen. Except for a short period when the PSCA Department was headed by Dr. Protitch, it has always been under the jurisdiction of the senior Soviet citizen in the Secretariat who has had the rank of Under-Secretary. For a long time, it was headed by Mr. Sobolev, who later became Permanent Representative of the Soviet Union and who is now a Deputy Foreign Minister in Moscow. During my period of service in the Secretariat, I was the deputy to the then Under-Secretary, Mr. Anatoly Dobrynin.

11. From members of the PSCA Department I gained the clear impression that it had never been very closely involved in the main political activities of the United Nations. The Department has served mainly as a servicing group for the main political bodies. It has prepared documents for meetings and cleared records and reports of those meetings. It has produced digested material, relating to public proceedings, for inclusion in United Nations publications on political subjects. The Department started out with large ideas about keeping in touch with the main political developments in the world but the scope of its work has gradually narrowed over the years. Now with a staff of about 75, the PSCA Department tends to be under-worked. Whatever substantive work is done usually depends on the initiative and imagination of the various directors and section chiefs.

12. During my two years in the Department, the Secretary-General hardly ever sought its assistance as a Department, although this was a period of great political activity for the United Nations. Mr. Dobrynin was very irritated by this state of affairs because he was both energetic and efficient and he believed that his talent should be put to work. Even so, I was informed by many staff members that the PSCA Department was much more active under Dobrynin than under any of its earlier under-secretaries. Since then, the Department has been headed by Mr. Arkadiev, who has made practically no contribution either to Departmental or Secretariat work, according to my information.

13. From time to time, personnel from the PSCA Department have been selected either by the Secretary-General or by Cordier and Bunche to carry out special assignments. Between them, Cordier and Bunche have organized and directed, in an administrative sense, most of the United Nations Missions in the field. They have selected personnel for those missions and dealt with most of the correspondence and reports. For the most part, the Under-Secretary in charge of the PSCA Department has not been consulted about these matters except in a most superficial way. Similarly, Mr. Hammarskjöld has taken important political decisions and issued important political documents without any reference to the PSCA Department, although from time to time he might have employed individual members in drafting and other routine duties.

14. My understanding is that my successor in the PSCA Department, Mr. Wieschoff, has been the Secretary-General's advisor on the Congo. This probably resulted from the fact that Wieschoff previously had considerable experience in African affairs as a member of the Trusteeship Department. I was told last autumn that, for practical purposes, Wieschoff had ceased to be a member of the PSCA Department but had become part of the Secretary-General's immediate entourage.

15. It is quite clear, therefore, that there is real substance to the Soviet Union's complaint about the Secretary-General's treatment of the PSCA Department. It is not true, however, that the Secretary-General began this practice because of the complication of this Congo situation. He simply continued a practice which he had followed throughout the period of his term of office.

16. I doubt whether Mr. Hammarskjöld followed this practice merely because the PSCA Department had been traditionally headed by a Soviet citizen, although this would be one factor which he would take into consideration. Basically, Mr. Hammarskjöld operates as a lone wolf and he seeks and welcomes the assistance only of a few Secretariat members whom he knows and trusts. In my view, he has very little administrative sense. He has left administrative details to Cordier and Bunche, neither of whom is a sound administrator. They have tended to become involved in details which could easily have been left to juniors of whatever national origin. To some extent, moreover, Cordier and Bunche have carefully guarded their special relationship with the Secretary-General by excluding other senior Secretariat members from operations which, nominally at least, appear to be their business.

17. Presumably the Secretary-General has a right to choose his collaborators, although I do not consider this a proper defence for his administrative methods. Nor do I agree that the Security Council or the General Assembly should be required to appoint specific Secretariat officials to be in charge of field operations. Until the Secretariat is administered in an orderly way, however, the Secretary-General must expect complaints from staff officials themselves and from member states. I have no doubt that many of the internal arrangements which Mr. Hammarskjöld has used may have been unavoidable, especially in view of his own personality and of the difficulty of organizing an effective international team.

18. I came away from the Secretariat convinced that, notwithstanding considerable talent and ability within the Organization, it was, generally speaking, inefficient, especially in the political field, because of poor administration. This had a demoralizing effect within the Secretariat and produced a situation wide open for attacks and criticism from member states. Quite obviously, the Soviet Union is capitalizing on its intimate knowledge of that situation gained from the experience of well-qualified officials like Mr. Dobrynin and others.

G.S. MURRAY

25.

DEA/6386-H-40

*Extrait du rapport final de la quinzième session, cinquième commission
de l'Assemblée générale des Nations Unies*

*Extract from Final Report of the Fifteenth Session, Fifth Committee
of the United Nations General Assembly*

CONFIDENTIAL

[Ottawa, 15th Session ended April 22, 1960]

GENERAL ASSESSMENT OF THE FIFTH COMMITTEE

The main problem before the Fifth Committee at the resumed session was the financing of the Congo operation. The Committee's debates were linked closely to the political discussions on the question taking place in plenary. There was little attempt to confine discussion to purely budgetary matters and the Chairman, Ambassador Majoli of Italy, prudently refrained from attempting to restrain delegates in their expression of views.

The two main impressions derived from the discussions in Fifth Committee were: the unwillingness of delegations to face anything more than the immediate issue at hand, the financing of the Congo costs for 1960; and the minimal part played in the debates by the African delegations.

At the outset of the resumed session the Canadian delegation had talks with a wide assortment of delegations and held meetings with the object of finding out whether there was any inclination among the members to look at the Congo financing issue in terms of the general health of the United Nations. From the very beginning it was obvious that few if any delegates were prepared to put a major effort into this aspect at the resumed session. One important reason for this was undoubtedly the mental weariness and physical exhaustion of many of the representatives and advisors. The atmosphere of crisis which had begun in July, 1960, and had continued without respite through the discouraging weeks of the first part of the fifteenth session had palpably taken their toll.

More specifically, many European delegations had been discouraged by the events of the pre-Christmas session to a point where many of them were talking resignedly of the end of the Organization, with little inclination to do anything about it. The black African delegations, which had rallied significantly to the support of the Congo operation in previous weeks, appeared rarely in the Fifth Committee. Only Ghana was there consistently. The same was true of the North African delegations, with the exception of the Tunisian Vice-Chairman of the Committee, Zouhir Chelli. Chelli took a prominent part in the negotiations which led to the resolution which was finally adopted.

In the very last days of the session there was a significant change in the attitude of the delegations towards the Congo financing question. In the first place there was general satisfaction at the resolutions which had been passed by the Assembly on the political side, and the thesis that these political decisions were meaningless unless backed in practical terms by an adequate financing resolution became to be generally accepted. During debates in the Committee support became wide-spread for the Canadian view that the Assembly, at its sixteenth session, should undertake to discuss in the broadest terms its financing procedures in the light of the strain that the peace-keeping operations undertaken in recent years had put on the resources of the Organization, and the effect that these operations had had on the regular budget by draining the working capital fund, and on the voluntary programmes in view of the borrowing of reserve funds to which the Secretary-General had had to resort.

The behaviour of members of the United Nations during the last night of the Assembly gave some grounds for optimism. Although little had been said in the Fifth Committee about the

necessity for ensuring a well supported financing resolution, when the Fifth Committee resolution failed to pass in plenary the reaction to this was immediate and strong. The senior representatives of Tunisia, India, Ghana, Ethiopia, Nigeria and Brazil all indicated their belief that the Assembly could not close without a financing resolution on the Congo, some of them in grave and emotional terms. A significant indication of the spirit of the Assembly was the vote on the proposal to re-open the Congo Item. It was adopted by 67 in favour, 12 against (Soviet bloc, Guinea, Mali, Cuba) with 14 abstentions (including France, Spain and Belgium). Although the vote on the financing resolution finally adopted was 54 in favour to 15 against, with 23 abstentions, a significant number of delegations were able to support the reopening of the question although unable to vote in favour of the resolution put forward.

The response to the Canadian resolution, although the vote took place at 5.30 am, was also encouraging. Forty-four delegations supported it, only 13 opposed it, while the 32 abstentions were made up largely of Latin American delegates, which supported the idea of the working group and the discussion at the sixteenth session but were distressed at the dropping of two paragraphs which had been inserted in the resolution on the basis of amendments submitted by the Latin American group.

The sense of urgency which pervaded the Assembly during the last hours of the fifteenth session was an encouraging sign. However, the results were marred by Latin American insistence on their point of view to the extent of almost wrecking the operations, French/African destructiveness out of rage over rejection of the plea of the Cameroon's Republic on the question of the merger with the neighbouring former British Trust Territory; and the attitude of indifference of several European delegations, including France, Spain, Belgium and Portugal.

The Soviet Position

The representative of the Soviet Union made his Government's position clear on the first day the Committee met. His statement was filled with abuse of the Secretary-General, the Secretariat, and the chief officers of ONUC in the Congo. He repeated the charge of complicity in murder against Mr. Hammarskjöld. He denied the right of the Assembly to discuss the Congo costs and alleged that it was the duty of the Security Council under Article 43 to find the necessary funds for the operation. He repeated his contentions at great length and on numerous occasions throughout the debate. His views were echoed by the other members of the Soviet bloc.

Roshchin, the Soviet representative, also criticized the administrative and budgetary procedures of the United Nations because of the refusal of the Chairman of the Advisory Committee on Administrative and Budgetary Questions to include minority views in reports of the Advisory Committee. In private conversation we were told that the Soviet Union had "lost confidence" in the impartiality of the Advisory Committee. It was not clear what this meant in practical terms; however, it is likely that attacks on this useful institution will continue.

Although the Soviet insistence that the Assembly had no right to discuss the Congo costs continued unabated to the end, there was a discernible lessening in the vehemence of Soviet criticism against the Secretary-General and the Secretariat. The Secretary-General was accorded the prefix "Mr." in later statements and even occasionally referred to by his title, although the Soviet Union had denied that he filled the function of Secretary-General once a great power had withdrawn its confidence. The reason for this lessening in the violence of criticism against the Secretary-General and the Secretariat may have been due to the complete lack of support which the Soviet Union received for its position. Even such countries as Ghana and India, which had in varying degrees echoed some previous Soviet criticism against the Secretary-General's conduct of the Congo operation, now insisted that it was essential for members to support fully the Congo operation.

When the financing resolution failed to attain the required majority on the final night of the Assembly, Roshchin rose to propose that the matter be sent to the Security Council. The uncertainty as to what would occur in the Council had a significant effect on delegations and rallied additional support to the call for reconsideration of the financing resolution. The Soviet bloc was thus completely isolated from the rest of the Assembly in its position on financing, although it received support in the voting of Guinea, Mali and Cuba.

The Latin Americans

One of the most troubling aspects of the debates at the resumed session was the stubbornness with which the Latin American delegations stuck to their financing proposal, although it received virtually no other support. It was clear from the start that there were varying shades of opinion in the Latin American group. However, due to one or two individuals, notably Ambassador Garcia Robles of Mexico, the Latin Americans maintained a remarkable solidarity until the very end. Until the re-voting on the resolution, amended as a gesture toward them, most of the Latin Americans seemed impervious to arguments calling for their cooperation in order to ensure that the Congo operation could be continued. The Latin Americans favoured the call for a general review of financial procedures, especially as they pertained to peace-keeping operations, but they wanted both this review and their formula for assessment.

In private conversation it was clear that the Latin Americans were deeply emotional on the issue. They appeared to be uninterested in logical arguments and replied with a show of deep frustration at their position at the United Nations. They claimed, rightly, that they had called for a separate scale of assessments for peace-keeping operations five years ago, when the UNEF costs were first discussed. They expressed resentment at being presented year after year with an agreed solution on financing of peace-keeping costs which made no attempt to take into account their point of view. One representative even burst out with the charge that whenever Hammarskjöld passed a Latin American Permanent Representative, he turned his head away.

In any long-term method for financing peace-keeping costs, the position of the Latin Americans must be taken seriously into account from the beginning if it is to have any value whatsoever. The main arguments of the Latin Americans are:

- (a) that the permanent members of the Security Council bear a special responsibility for peace-keeping and should pay a large part of the share;
- (b) that countries with special interests in regions affected by the peace-keeping operation should also pay a special share;
- (c) that the contribution of the remaining members of the United Nations should be confined to a symbolic sum as a token gesture toward the principle of collective responsibility;
- (d) that the Latin Americans believe that the Organization must be able to undertake peace-keeping operations, and their success must be assured; and
- (e) that there must be no element of charity, rebates or requests for remission in any formula found.

Clearly, this list contains some contradictions, notably between (c) and (d), and (a) ignores the positions of Russia, France and China. The argument in (b) is in contradiction to the principle of collective responsibility, as well as being difficult to apply in practical terms. A formula which will carry Latin American approval may not be as difficult to find as it would seem. Toward the end of the discussions, it became clear that the only "principle" which was important to the Latin Americans was that their share of the peace-keeping costs should be minimal.

France

In private conversations, French representatives and advisers indicated frankly that they were unhappy with General de Gaulle's decision not to pay the Congo costs. To balance this, however, there was a strong feeling on the part of most of them that it was paradoxical that 66 members paying about 8 per cent of the costs had a two thirds majority and could pass any resolution, which 12 nations paying about 80 per cent of the cost had little or no real power in the U.N. They believed that an attempt should be made to find some way of resolving this question.

The Africans

Nigeria, Ghana and Liberia worked closely with Tunisia and Pakistan to draft the Congo financing resolution, although Liberia and Nigeria did not cosponsor in the end. Apart from these, however, very few Africans turned up with any consistency at the meetings of the Fifth Committee. This was understandable in some cases since important African items were being discussed in several other places, but the complete silence of even those delegations which attended sporadically indicated a surprising lack of interest in the proceedings. The announced intention of several of the French Africans not to support the financing resolution because their point of view had not been accepted by the Assembly on the Cameroon's issue was profoundly disturbing. The French Africans, more than any other group, seemed to consider it normal to trade votes on entirely unrelated issues.

Canada's Traditional Friends

Throughout the discussions, Canada was in close touch with all members of the Commonwealth and Western Europe. There was a remarkable agreement on views and complete solidarity on the issues before the Committee. With the help of these friends, Canada was able to achieve the desired result on its own resolution, though only after some complications. There was complete understanding of our reasons for opposing our own resolution after it had been amended, and our friends followed our voting faithfully. Other very helpful delegations at the resumed session were those of Iraq, Liberia and Tunisia. The Chairman, Ambassador Majoli of Italy, managed the Committee well and with a minimum of friction. He was personally most helpful on procedural matters connected with our resolution.

To conclude, the resumed session marked a change to a more cooperative attitude on the part of some important countries, notably India and Ghana. The final vote was perhaps a little better than adequate. However, there were disturbing symptoms of selfishness and short sightedness on many sides. To balance this, there was general agreement on the necessity to undertake a general review of financial procedures, especially as they affect peace-keeping costs.

26.

J.G.D./01/XII/F/215

*Le président du Ghana
au premier ministre*

*President of Ghana
to Prime Minister*

TELEGRAM E-825

[Accra], May 5, 1961

I am constrained to make this desperate appeal to you concerning the present situation in the Congo which is deteriorating from day to day. Nearly a year after the outbreak of violence in the Congo, we are still far from achieving a solution in spite of United Nations intervention. In my view, no solution is possible without total elimination of the armed gangs serving the

various factions in the Congo, which would make possible the immediate re-convening of Parliament. Since we cannot keep our armies indefinitely in the Congo, I want to suggest most strongly to the governments which have contingents or individuals serving under the United Nations command in the Congo, that we should send representatives to a meeting in Accra or any other convenient place immediately, to consider ways and means of providing protection in Leopoldville to enable Parliament to meet and the elected Congolese representatives to attend Parliament free from fear of intimidation, arrest, detentions and physical violence. Only in an atmosphere of law and order namely, the complete elimination of the armed gangs from the political argument, will Parliament function. Whatever solution is imposed by any combination of Congolese leaders will not last, nor can it be a substitute for the expressed will of the Congolese Parliament. Our experience with the Madagascar conference and the recent one at Coquilhatville¹² confirms this view. The meeting of our representatives should contain both civil and military personnel, since even if Parliament does meet under United Nations protection and produces a solution, this will be impossible to execute so long as private armies exist. My military representative in the Congo has been approached by civil authorities many times begging that the Congolese armed units be disarmed in order that people can live in peace. This cannot be effected without firm military command organization and a clear plan of action both of which are at present woefully lacking. Highest consideration.

KWAME N'KRUMAH

27.

J.G.D./01/XII/F/215

*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], May 10, 1961

PRESIDENT N'KRUMAH'S MESSAGE OF MAY 5
CONCERNING THE CONGO

The most striking feature of the message to you from President N'Krumah about the Congo situation is its distinct implication that the United Nations, as such, should be ignored in the proposed discussion of a new plan of action for the Congo. Although the suggested meeting would involve "governments which have contingents or individuals serving under the UN command in the Congo," it is clear that what is envisaged would be consultation by the various governments concerning joint action in their national capacities rather than about participation in an international operation on behalf of the world community. His reference to "our armies" in the Congo also underlines the conception of the UN troops in the Congo as a collection of national units, rather than a unified command responsible to the collective will of the UN Organization.

2. President N'Krumah has never made any secret of his deep N'rservations about the conduct of the UN operation, but in the past he has always taken the public position that, as a matter of principle, there should be no intervention in the Congo except through the United Nations. Even the rather far-reaching proposals which he advanced at the General Assembly at the

¹² Voir/See "Statement by Congo Chiefs," *New York Times*, March 13, 1961, p. 2; Henry Tanner, "Tshombe Insists U.N. Be Censured," *New York Times*, April 26, 1961, p. 9.

beginning of March,¹³ for an almost exclusively African command for the Congo operation, envisaged a distinctively UN activity. You will recall also that when Dr. N'Krumah spoke of the Congo situation a few days later, at the Prime Ministers' Meeting in London, he stressed his belief that the United Nations provided the best hope for peace and security in the Congo.

3. The motivating factors, not necessarily in order of importance, behind Dr. N'Krumah's current initiative may include:

(a) Pressure of public reaction in Ghana against the recent maltreatment of Ghanaian troops by Congolese National Army elements at Port Franqui in Northern Kasai province, where several fatalities were suffered by the Ghanaian unit involved. (In the Advisory Committee's discussion of the Port Franqui incidents, the Ghanaian representative pointed out with some vigour that the Ghanaian brigade commander had, before the trouble, unsuccessfully sought reinforcements from the UN command because his troops were over-extended.)

(b) Irritation with the current consolidation of President Kasavubu's position vis-à-vis other Congolese political figures (particularly Gizenga), largely as a result of the agreement reached between the United Nations and the President on plans for effecting withdrawal of foreign personnel from the Congo and for reorganization of the ANC under President Kasavubu's authority.

(c) A desire to reaffirm in a practical manner Ghanaian backing for the Gizenga régime in Stanleyville, which Ghana supports as the legitimate central government of the Congo. In particular, it may be felt that Gizenga's followers would carry the day if a meeting of parliament to endorse a national government could be convened at this time, whereas Gizenga's prospects might be expected to decline if President Kasavubu's position continues to improve.

(d) A general ambition on Dr. N'Krumah's part to claim a leading role in the direction of policy in the Congo, as in other African affairs. His aspirations to Pan-African leadership are well known; recent setbacks in this respect may be impelling him to attempt to recover the initiative. At the moment the Monrovia Conference of heads of African States, sponsored by Nigeria and Liberia, is being ignored by Ghana, and Ghana resents the initiative taken by Nigeria.

(e) Domestic political troubles indicated by dissatisfaction within his own Party and in Parliament and by his dismissal of some Cabinet Ministers.

4. Undoubtedly Dr. N'Krumah's proposal for a meeting of representatives of governments with personnel in the Congo will have attractions for some of the Afro-Asian governments (notably the "Casablanca group," including Morocco, the United Arab Republic, Guinea and Mali) who, like Ghana, have consistently supported the Lumumba faction in opposition to President Kasavubu, and have been critical of the conduct of the UN operation. However, the suggestion seems unlikely to win much support among the major current participants in the UN force.

5. Our Permanent Mission in New York has made hurried consultations there with other delegations. The missions of India, Ireland, Italy, Malaya, Nigeria, Pakistan, Sudan and Sweden generally share our view that the United Nations must not be by-passed, although, except for Ireland, their Governments have not made their views known. The Irish Government has already replied to Dr. N'Krumah, reasserting the authority of the UN with regard to the Congo situation. Telegram 1090 of May 9 from New York† giving the gist of the Irish reply is attached.

¹³ Voir/See Thomas J. Hamilton, "Nkrumah Urges U.N. to Reshape Congo Program," *New York Times*, March 8, 1961, p. 1.

6. In recent Congo Advisory meetings discussion has centered on the increasingly active role of the UN force in containing the armed forces of Katanga, and on the developing co-operation of President Kasavubu and the other Leopoldville authorities with the United Nations, toward implementation of the February 21 resolution of the Security Council. The Secretary-General has found broad support in the Committee for the more positive posture which the Force (largely as a result of recent additions to its effective strength) has been able to adopt in respect of its basic function of halting military movements and forestalling clashes. The Committee has also endorsed an agreement, reached on April 17 between the Nwokedi-Gardiner mission from the United Nations and President Kasavubu, concerning arrangements for withdrawal of foreign personnel not engaged under the latter's authority, and for UN assistance in re-organising the national army of the Congo.¹⁴ The Secretary-General thinks that this agreement is responsible for the recent active co-operation of the Leopoldville authorities in handing over to the United Nations the Belgian advisers who were detained with Mr. Tshombe at Coquilhatville; and no doubt this aspect of the agreement has gone far towards commending it to those Afro-Asian governments which in general have no high regard for President Kasavubu.

7. The specific question of reconvening the Congolese parliament, to which Dr. N'Krumah devotes particular attention in his message, was referred to in the Afro-Asian resolution introduced by Pakistan in the closing stages of the Congo debate at the resumed 15th Session of the General Assembly. This resolution urged the convening of parliament without delay, under safe conduct provided by the United Nations. It was opposed only by the Soviet Bloc and the French-African community (the latter for special tactical reasons). This Assembly resolution repeated the governing resolution of the Security Council of February 21, paragraph B.1 which reads: "Urges the convening of the parliament and the taking of necessary protective measures in that connection."

8. The Ghanaian representative in the Advisory Committee meeting of May 5 stressed the view that real progress toward a political settlement in the Congo could be made only through a meeting of Parliament. In response, the Secretary-General claimed that the strengthening of U.N. forces was already contributing significantly to an improvement in the political situation. He mentioned increasing contact between the Leopoldville and Stanleyville régimes, and the weakening of the position of the Katanga government. Given further progress in this direction, he thought a meeting of Parliament might complete the achievement of a political settlement. He said that both Abbas and Gardiner had standing instructions to raise with President Kasavubu the matter of holding a meeting of parliament as soon as the political and military situation would permit. They were, however, to use their own judgment in taking up this matter with the President.

9. It seems important that Dr. N'Krumah should be left in no doubt about Canada's support for the UN role in the Congo situation; and you may feel that a prompt answer to his proposal would be useful evidence of the firmness of our reaction. A suggested reply to his message is attached for your consideration. If you approve the attached telegram to Accra, we would give a copy of the message to the Acting High Commissioner for Ghana here.

N.A. R[OBERTSON]

¹⁴ Voir/See Henry Tanner, "Gizenga Officers Accept Mobutu as Army's Chief," *New York Times*, April 18, 1961, p. 1.

28.

J.G.D./01/XII/F/215

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

*Secretary of State for External Affairs
to High Commissioner in Ghana*

TELEGRAM ME-275

Ottawa, May 12, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel ME-270 May 8.†

Repeat for Information: Geneva (for the Minister), Permision New York, London, Washington, NATO Paris, Paris, (Priority), Brussels, Delhi, Cairo (Routine).

By Bag Moscow, Leopoldville, Belgrade, Karachi, Colombo, Kuala Lumpur, Lagos.

REPLY TO PRESIDENT N'KRUMAH'S MESSAGE ON CONGO

Please convey following message from the Prime Minister to President N'Krumah.

"I welcome the opportunity afforded by your message of May 5 to exchange views with you about the Congo. I can assure you that I share your anxiety about the situation there. Heavy burdens have been placed on many of the governments which are contributing to the efforts of the United Nations to restore stability and I know that Ghana has paid a tragic price in human lives. I spoke about this in Parliament recently and I want also to take this private opportunity to convey to you the sincere sympathy of all Canadians for the losses suffered by Ghana and also to express our admiration and appreciation of the contribution which your country is making to the United Nations operation in the Congo.

I share your concern that normal parliamentary procedures in the Congo should be restored as soon as this can be effectively accomplished. The Secretary-General has expressed in the Advisory Committee the view that the strengthening of UN forces is already contributing significantly to an improvement in the political situation in the Congo; and he has indicated that his representatives there are actively concerned with promoting a meeting of parliament as soon as the political and military situation will permit this.

However discouraging certain aspects of the situation may be, I am sure you will agree that there have also been some grounds for encouragement arising out of the implementation of the Security Council resolution of February 21. If we are to build on these modest measures of progress, the present impetus of the UN effort, it seems to me, must be promoted and advanced by every means open to us. I confess to doubts that consultation on the Congo elsewhere than in the UN would likely to contribute to an improvement of the present situation.

I recall that when the Congo situation was reviewed at our meeting last March in London, you stressed your belief that the UN provided the best hope for peace and security in the Congo, as indeed for the world as a whole. I agreed with you when you said this in London and I must say that more recent developments have reinforced me in this conviction. John G. Diefenbaker."

2. A copy of the above message will be handed to the Acting High Commissioner for Ghana here as soon as we have your confirmation that it has been received by the President.

29.

DEA/6386-L-40

*L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Belgium
to Secretary of State for External Affairs*

TELEGRAM 405

Brussels, May 23, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: Permis New York, Washington, London, NATO Paris, Paris, CCOS, DMI, DNI, DAI, DM/DND from Ottawa, Cairo (Deferred) from London.

By Bag Accra, Leopoldville, Lagos, Capetown, Moscow, Dublin, Belgrade from London.

TALK WITH SPAAK

When I paid my first call on Spaak today I was impressed by his realistic approach towards Congo problem and I was encouraged to think that it may mean that Belgium will adopt a more cooperative and constructive attitude.

2. He told me his first task on taking office had been to restore order and cohesion in foreign policy, which had been impossible to maintain while there was a separate portfolio for African Affairs.

3. His aim now was to establish closer and friendlier cooperation with UN and a basis for it lay in his conviction that Belgian advisers should be withdrawn. He felt that here was the best hope of assuring the continuation of a useful Belgian influence in Congo. However it was difficult for him quickly to reverse a policy. Furthermore he had to bear in mind that too sudden a move might be construed by Belgians in Congo as a complete withdrawal of Belgian interest and support and lead to a wholesale exodus. Then too Congo gendarmerie should not repeat not be weakened. He hoped for assurances from UN that Belgian advisers would be replaced. I suggested assurances might be too much to expect since that would imply that the terms of the Security Council's resolution of February 21 were negotiable. Might not repeat not a recognition by UN of the need to fill the gaps do? I gather from his reply that he is open to something considerably less than a guarantee.

4. He is proposing to make a move very shortly as an indication of his intentions. He plans to withdraw about thirty Belgian advisers, including Colonel Weber, from Katanga. (Weber, who has been Tshombe's right-hand man, has been generally regarded as the blatant symbol of the intention of at least important Belgian interests, if not repeat not the government itself, to remain in Katanga and support an independent Tshombe régime.)

5. Spaak observed that without wanting to criticize his predecessor he had to admit that there had been a basic inconsistency in Belgian policy. On the one hand it had been a policy of Congo unity but on the other hand it appeared to support Katanga independence. He thought that in general our best hope now lay in a policy of supporting Kasavubu in his endeavours to assert his authority over all sections of Congo.

6. In particular with reference to Belgium-UN relations he said that he had found Sahbani a reasonable man and thought it would be useful if negotiations were continued with him. This seems clearly to support the line our representative took in the meeting of the Advisory Committee which discussed Sahbani's report (telegram 1157 May 18 from Permis New York).†

7. Spaak was happy with the decision at Oslo NATO meeting to provide for consultative committees as a step in the right direction he had long advocated. He attached much importance to the coming meeting of Africa Committee in Paris with Congo as the first item.

We had understood that Rothschild was to present Belgian case but Spaak told me that he now intends to do so himself in recognition of the importance of the meeting not repeat not only to Belgium but to NATO. (He will it so happens be in Paris at that time with King Baudouin.)

8. He commented that he had welcomed the new and substantial interest that USA was now showing in NATO in world problems, including African. He interpreted this as an outcome of their increased concern for Latin America arising out of their difficulties with Cuba.

9. Spaak at no repeat no time criticized USA or Canada for their actions in UN or for lack of support for Belgium. He seemed to accept what I said, that our position, like that of USA, was I thought one of general sympathy with Belgian objectives of independence and unity for Congo and of a continuing useful association between Congo and Belgium, and that our differences had been mainly over the ways and means of attaining them.

10. Spaak appears to have brought good sense and good intentions into a ministry that seemed to me up to now to have lacked both. I hope Belgian Cabinet on the one hand and UN on the other will give him the time and the room he needs to show what he can do.

[SYDNEY] PIERCE

30.

J.G.D./01/XII/F/215

*Le président du Ghana
au premier ministre*

*President of Ghana
to Prime Minister*

TELEGRAM E-1079

[Accra], May 30, 1961

I have the honour to refer to my message about convening a meeting in Accra or elsewhere to consider ways and means of providing protection in Leopoldville to enable Parliament to meet. I thank you for your reply and wish to state that since I sent my message to you on May 5 events have moved rapidly. It now appears that consultations and action within the present framework of the United Nations may pave the way for the Congolese Parliament to meet in a free and calm atmosphere. In the circumstances I no longer consider the meeting that I suggested necessary and I hope that our efforts in the Congo will soon be crowned with success by our continued support of the United Nations highest consideration.

KWAME N'KRUMAH

31.

DEA/6386-40

*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 1895

[New York], September 15, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1890 Sep 15.†

Repeat for Information: Washington, London, NATO Paris, Embassy Paris, Geneva, Cairo (Deferred), Brussels from Ottawa, DND, CCOS, CGS, CAS, DNI, DMI, DAI from Ottawa.

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Leopoldville, Tel Aviv from London.

SITUATION IN KATANGA

I spoke to Bunche today about the Katanga situation without eliciting much further view or information. I think that with the Secretary-General in Leopoldville the Secretariat is less than usually fully informed.

2. The Irish Permanent Representative told me in confidence today that he was very much concerned about the lack of adequate information in the Secretariat regarding developments in the Congo. He has much cause for concern as the Irish troops are in difficult position both in Leopoldville and Jadotville. He feels that the lack of clear and up to date information is leaving the field open to sensational press stories.

3. My own concern is that the Secretariat or preferably the Secretary-General himself should make an early statement as to the UN objectives in the Katanga operation establishing their action in a legal framework and explaining the grounds which have necessitated the methods used in Katanga. I feel that if we are left too long without such an authoritative explanation criticism of the operation and misunderstanding as to its intention will flourish.

4. Boland and myself talked over these preoccupations with Governor Stevenson of US Mission today and Boland is seeing Cordier of the UN Secretariat later this afternoon.

5. We have no repeat no doubt that the UN has been faced with difficult choices as to methods and as to timing but that its ultimate objective of bringing Katanga into constitutional relationship with the general government of the Congo is fully justified and that it has operated within a legal framework. What we really doubt is how skilfully this operation has been handled and whether it has been fully and coherently reported from UN sources.

6. Mr. Hammarskjöld is expected back Sunday night or Monday morning. However it is possible that the events in Leopoldville might lead him to delay his departure.

[C.S.A.] RITCHIE

32.

DEA/6386-40

*Le consul général par intérim au Congo
au secrétaire d'État aux Affaires extérieures
Acting Consul General in Congo
to Secretary of State for External Affairs*

TELEGRAM 253

Leopoldville, September 16, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Permis New York, Washington, London, NATO Paris, Paris, Brussels, DM/DND, CIS, CGS, CAS, DNI, DAI, DMI from Ottawa, Cairo (Deferred). By Bag Pretoria, Accra, Lagos, Moscow, Delhi, Karachi, Kuala Lumpur, Dublin from London.

UN ACTION IN KATANGA

As seen from Congo in opposition to New York I find little justification for recent UN action in Katanga. Although UN claims it acted to prevent civil war, there exists no repeat no evidence whatsoever that such a threat was imminent. However desirable may be unification of the Congo it is inexcusable that it should have served as a pretext for relying on force which could only have been justified as last resort had overt action been taken by Katanga Government against UN.

2. UN troops presence in Katanga as well as reinforcements in recent months and implementation of Security Council resolution February 21 regarding withdrawal of

mercenaries have all been very much through negotiations with Tshombe's Government. The UN having thus treated Tshombe as a provincial authority we can understand Tshombe's reaction "I have been betrayed all down the line by the UN."

3. Until Wednesday there was no repeat no reason to suppose that by patient negotiations aim of the UN and of Central Government could not repeat not eventually have been accomplished. It was not repeat not a situation which could be helped by a deadline. Although there were rumours recently that Munongo was planning commando type actions against UN troops, no repeat no such actions had taken place as of date UN offensive. It is evident from developments since Wednesday that UN operation was not repeat not only ill advised and unnecessary but hastily conceived and with apparent disregard of military logistics of such an operation. They have also underestimated the will to resist of Katanga army. Evidence of this is that last night at UK consulate in Elizabethville UN were prepared, according to USA Embassy here, to consider ceasefire on the basis that both sides would remain in their position.

4. By using force in support of Central Government to settle what is after all an internal political issue, UN has set a dangerous precedent. Implication is that if tomorrow Gizenga managed to take over from Adoula without overt use of force (Adoula's position as Head of Government is far from secure) UN troops paid by Western Powers would have no repeat no other choice than to consolidate his power throughout the country.

5. It appears from Mr. Hammarskjöld's own admission (paragraph 4 Permis New York telegram 1840 September 7)† that Adoula was forced to take strong action over Katanga by extremists in his government. If this is so, UN action is even more inexcusable. It should be its role to help Adoula's government cope with rather than give in to such pressure.

6. Grateful for Department's assessment of situation.

[MICHEL] GAUVIN

33.

DEA/6386-40

*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 ME-464

Ottawa, September 20, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Leopoldville, Washington, London, NATO Paris, Paris, Brussels (Routine), Cairo (Deferred) from London.

By Bag Pretoria, Accra, Lagos, Moscow, Delhi, Karachi, Kuala Lumpur, Dublin, DM/DND, CCOS/CGS, CAS, DNI, DAI, DMI.

THE CONGO

The untimely death of Mr. Hammarskjöld¹⁵ and the apparent change in the military situation in favour of the Katanga forces has, it seems to us, presented the UN (and the Western Powers) with a new set of factors in the Congo.

2. The most obvious one is that Tshombe's prestige has increased and it will now be more urgent than ever to reach a negotiated settlement with him. Another is that the latest developments would seem to have strengthened the influence of the extremists in both

¹⁵ Le 18 septembre 1961./On September 18, 1961.

Elizabethville and Leopoldville with the result that one may expect increased pressure on the one hand for the secession of Katanga and on the other for reunification of the Congo by force.

3. Where we see some danger is in the possibility that Tshombe will again overplay his hand as he did at Coquilhatville and attempt to impose conditions which neither the UN or the Central Government can accept. In such a case the danger of civil war would be great. It seems doubtful that at the present time Mobutu's ANC could mount a successful offensive against Katanga in view of the logistical problems involved. What is less predictable, however, is the likely reaction of Lundula's forces in Eastern and Kivu provinces. Another danger is that unless Tshombe can be persuaded to meet with the Central Government leaders as soon as possible, the latter may feel obliged to call for outside help against Katanga.

4. In the above circumstances the most urgent task of the UN now that a provisional cease fire has been arranged should in our opinion be to do what it can to bring about political negotiation between Tshombe and the Central Government and then return to its impartial role of preventing civil war. It goes without saying of course that the UN should take all necessary steps to protect its personnel in the Congo.¹⁶

34.

DEA/6386-40

*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], September 20, 1961

THE CONGO

The fighting in Katanga coupled with the death of Mr. Hammarskjöld has produced a serious situation in the Congo which could pose the threat of civil war and foreign intervention.

2. The Central Government of Mr. Adoula is based on an uneasy alliance between the moderates and the more extreme followers of Gizenga. It has enjoyed the active support of the U.N. including the Casablanca Powers and other non-aligned countries. One of the bases for Gizengists' support of Adoula was the latter's willingness to take a strong line with Tshombe and establish the Central Government's authority over Katanga. Adoula has therefore been under pressure to bring Tshombe to heel quickly and on several occasions he has publicly threatened to use force. But just as Adoula was under pressure from the Gizengists Tshombe has also, it would seem, been under some pressure from extremists in his Government led by the Minister of Interior, Mr. Munongo, who still nourished hope of keeping Katanga politically independent. Accordingly Tshombe was in no hurry to go to Leopoldville for negotiations. He expressed fears for his safety and claimed that Katanga deputies in the Central Parliament had been forced to take refuge in Brazzaville. Basically his attitude to the Adoula Government was one of suspicion that it would soon fall under the control of Gizenga and that in Leopoldville his life would be in danger. He was also opposed to the idea that the Katanga Gendarmerie should come under the control of the Central Government and was particularly concerned that the posts of Defence Minister should not go to his enemies.

3. It had been the U.N. hope that the reintegration of Katanga could have been brought about peacefully through negotiation once the Belgian and other foreign advisers and military

¹⁶ Le télégramme a été approuvé par le premier ministre./Telegram approved by the Prime Minister.

personnel in Katanga had been withdrawn in accordance with the Security Council Resolution of February 21. Unfortunately it was the United Nations efforts to implement this part of the resolution at the request of the Central Government and in particular their decision to seize the radio station in Elizabethville on September 13 which precipitated the present conflict in Katanga. In this connection the report of the officer in charge of the United Nations operation in the Congo draws attention to the role of foreign military personnel and extremist elements in the Katanga Government in spreading panic and disseminating inflammatory propaganda against the United Nations thereby threatening the security of United Nations personnel. The legal basis for the United Nations action apparently was the ordinance issued by President Kasavubu providing for the expulsion of all foreign officers and mercenaries serving in the Katanga forces not under the control of the Central Government and a letter from Prime Minister Adoula requesting United Nations assistance in the execution of this ordinance. While the U.N. could thus claim to have acted within a legal framework and have probably stayed within the letter of their mandate, they left themselves open to criticism by appearing to use force to bring about a political settlement in favour of the Central Government. This aspect of the United Nations action has been criticized in certain Western countries as well as by some African states of the former French Community.

4. Against this background the death of Mr. Hammarskjöld would seem to have had the following results:

(a) The United Nations finds itself in a sort of legal vacuum in the Congo since Mr. Linner was, strictly speaking, the personal representative of the Secretary-General and subordinate officers must now operate within the limits of existing instructions;

(b) The influence of the extremists around both Adoula and Tshombe has been strengthened. This means that the pressures for secession on the one hand and reunification of the Congo by force on the other hand are likely to increase. Already we have received reports from Leopoldville that the Gizenga group has been demanding that the Government send its armed forces to Katanga. The U.S. Ambassador in Leopoldville seems convinced that Adoula will resist such pressure but it is clear that he will be encountering opposition in the Government.

(c) The role of the United Kingdom in arranging for talks between Tshombe and United Nations representatives has been interpreted in a sinister light in a number of Afro-Asian countries, notably India and Ghana where the press have accused the United Kingdom of being responsible for the death of Mr. Hammarskjöld. In this connection the statement issued by Prime Minister Adoula has taken a distinctly anti-British line, accusing British interests of complicity in Katanga.

5. Attached for your signature, if you agree, is a telegram to New York† setting forth our assessment of the situation in the Congo.¹⁷

N.A. R[OBERTSON]

¹⁷ Note marginale :/Marginal note:

PM agrees. Telegram sent Sept. 21 12 noon. H.B. R[obinson]

35.

DEA/6386-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], September 22, 1961

CONGO: U.N. REQUEST FOR ASSISTANCE

On September 20 an urgent request was received from the U.N. Secretariat for Canadian assistance in support of U.N. operations in the Congo. This request was three-fold:

(a) for new equipment and spare parts required to recondition teletypes used by Canadian signallers. (We understand that the teletype in Leopoldville is the only one now in operation and that, only at half-strength; communications are now being operated by radio);

(b) for transport aircraft, aircrews, maintenance personnel and spares for internal air transport (these aircraft, the number of which is left to Canadian discretion, would be used for a period of two weeks "after the Fuga aircraft employed against the U.N. by Katanga forces has been dealt with");

(c) for technical assistance in installing radio equipment on four C-47 U.N. aircraft now in Leopoldville.

These demands are related to other requests submitted at the same time to ten other countries (Ethiopia, Denmark, Norway, Sweden, Yugoslavia, United Arab Republic, Pakistan, India, U.S.A. and Iceland) for transport and fighter aircraft and crews as well as weapons and military equipment. The purpose of these requests has not been stated explicitly.

Just before the operations in Katanga had reached an acute stage, another request for Canadian assistance to Congo operations had been received from the Secretariat. This request came to us under cover of letter No. 644 of September 12 from our Mission in New York. † At that time, the Secretariat transmitted to us and twelve other countries (Argentina, Ethiopia, India, Iceland, Morocco, Peru, Senegal, Sweden, Tunisia, Upper Volta, the United Arab Republic and Switzerland) a request by the Government of the Congo to assist in the re-organization and training of the Congolese National Army. The Secretariat enquired therefore whether the Canadian Government would be able and willing to provide a number of qualified French speaking military personnel to serve as advisers to the Congo Government and instructors for the ANC. Our Mission in New York was informed that the Secretariat would like us to forward the names of a number of candidates for some, but not all, of the 18 officer and 11 NCO positions requested. It was made clear to us that the U.N. would give preference to qualified African candidates where such were available.

We were informed in this connection that the military advisers to be provided under this scheme would be independent of ONUC. Only one, an Ethiopian officer, had been recruited so far. The Secretary-General had decided against making any request to countries, such as Guinea, whose participation he considered to be politically undesirable.

Brigadier Rikhye indicated at the same time to our Mission that it might be possible to reduce the staff at ONUC in the not too distant future and suggested that the U.N. would welcome the transfer to the future Military Advisers Staff of Canadian officers already in the Congo. On the other hand, it was pointed out that further requests for military advisers might be submitted next year.

The U.S. Embassy in Ottawa, on instruction from their Government, has approached us to suggest that we give the request for military training assistance our most sympathetic consideration.

A copy of this U.N. request has been passed to National Defence but no views on this matter have been exchanged between the two Departments, pending your return. Action on both these requests has had to be deferred, awaiting clarification on the current role of the U.N. in the Congo generally and in Katanga in particular, resulting from your discussions in New York.

Attached for your convenience is a copy of the Security Council resolution of February 21, 1961 on the Congo.†

Since preparing this memorandum, we have received another telegram from our Mission in New York providing further information on the U.N. request for Canadian military transport aircraft. A copy of this telegram† is attached.

N.A. R[OBERTSON]

36.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], September 23, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair, (for morning meeting only),
The Secretary of State for External Affairs (Mr. Green) in the Chair, (for afternoon meeting only),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill), (for morning meeting only),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Fisheries (Mr. MacLean),
The Postmaster General (Mr. William Hamilton),
The Minister of Mines and Technical Surveys (Mr. Comtois), (for morning meeting only),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Agriculture (Mr. Alvin Hamilton),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker), (for morning meeting only),
The Associate Minister of National Defence (Mr. Sévigny), (for morning meeting only),
The Minister of Forestry (Mr. Flemming),
The Secretary of State (Mr. Dorion),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
The Minister without Portfolio (Mr. Halpenny).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

REQUEST FROM UNITED NATIONS FOR TRANSPORT PLANES
FOR CONGO OPERATIONS

6. *The Secretary of State for External Affairs* said that the United Nations had requested about eight countries, including Canada, to make transport aircraft available for the carrying of United Nations troops and supplies to Katanga. Other countries had been asked to provide fighter protection for the transport planes. The United Nations had formerly used chartered

planes, but these had been attacked by the Katanga air force, and the charter companies had withdrawn most of them. Only two or three out of a total of thirty transport aircraft were now continuing to operate. The transport aircraft would probably be required for a period of between three and five weeks.

The decision was a difficult one. Canadian troops were operating in the Congo, and the transports would doubtless be helpful to them as to others. On the hand, the aircraft would be exposed to possible attack. If the U.N. should fail in Katanga, its influence could be seriously impaired.

7. *The Minister of National Defence* said that Ethiopia, Norway, Sweden, Denmark and the United States had agreed to supply some of the required aircraft. Air Commodore Morrison, R.C.A.F., the U.N. Staff Officer in command of transport flying in Katanga, had telephoned to him and stated that the service also needed twelve Grade 3 N.C.O. technicians to supervise aircraft repairs. He has stated that the local situation was so confused that he was uncertain as to how many commercial transport planes were still available, and uncertain whether the recent ceasefire might make the charter companies more willing to operate over Katanga. He had recommended that Canada provide four C119 aircraft, plus the related ground crew, for a period of at least one month. This would involve a total of 124 personnel, including the 12 technicians. If only two C119 aircraft were made available, a total of 68 personnel would be involved, including the technicians. The aircraft might be attacked if the cease-fire should end, but the U.N. operation ought to be supported. The government would be criticized by the Canadian public if it refused the request.

8. *The Cabinet* agreed, subject to the concurrence of the Prime Minister,

(a) that two C119 aircraft, together with the necessary personnel (56 including aircrews and ground crews), be made available to the United Nations Congo Force for an estimated period of one month; and,

(b) that twelve N.C.O.'s Grade 3 (technical) be made available to the U.N. Congo Force to assist in supervising aircraft repairs.

...

37.

DEA/6386-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], October 17, 1961

CONGO: U.N. REQUEST FOR ASSISTANCE

In telegram No. 2162 of October 10, 1961, a copy of which is attached,† our mission in New York forwarded a request from the Secretariat to provide eight control tower officers and two maintenance ground communication technicians to assist in the operations of the Swedish and Ethiopian jet fighters and Indian Canberras in the Congo. In view of the policy implications of this request, we have asked our mission to provide additional information on the Secretariat's policy concerning the use of these fighters and light bomber aircraft. In telegram No. 2222 of October 14, a copy of which is also attached,† our mission further explained that in the event of a resumption of hostilities, the task of the jets and Canberras would be to provide escorts for U.N. military transport aircraft and, if it became necessary, to render unusable the only runway now available to Katanga's Fuga jets.

2. The Swedish and Ethiopian jet fighters and Indian Canberras were provided to the U.N. in reply to the general request for assistance made by the Secretariat. You will recall that Canada has already provided two C-119 transport planes with personnel, in reply to the same request, for a period of one month.

3. The required Canadian personnel would be assigned presumably to the technical operations of fighter control equipment, under the orders of the U.N. commander in the Congo. The U.S. Air Force, which has agreed to provide the complex and costly control equipment required for these planes, has indicated that it would much prefer to have this equipment operated by RCAF personnel.

4. The fighters and Canberras are already at the U.N.'s disposal in the Congo. Five fighters were moved on October 8 to Luluabourg in the province of Kasai, not far from the Katanga border. The other jets and the Canberras are based in Leopoldville. Our mission in New York, which has obtained some information in confidence on General McEoin's plan in the event of a breach of a cease-fire in Katanga, has reported that it is the U.N.'s intention to move eventually all jets into Kamina in Katangese territory. The Canberras have the range to operate from Leopoldville.

5. There is, of course, a possibility that if we agree to the present U.N. request, we could be placed later on in an awkward position if the U.N. engages in warlike operations in the Congo, and particularly in Katanga. The situation would be especially delicate if these operations were undertaken in circumstances about which we may have some reservations. It is to be expected that the jets and Canberras would play an important role in such operations.

6. Under terms of the cease-fire agreement in Katanga, the U.N. has ceased military operations in the region and we do not anticipate any U.N. initiative pending an agreement as to who is to head the Secretariat, without which, as you have said, the Congo operation lacks political direction. At the last meeting of the Congo Advisory Committee, no indication has been given that the Secretariat would be thinking in terms of resuming military operations on its own initiative. However, the danger of further U.N. operations in Katanga cannot be ruled out absolutely.

7. In the circumstances, you may wish to put the above considerations to Mr. Harkness, suggesting that, on balance, sympathetic consideration should be given to the U.N. request for control tower officers and ground communications technicians, since this personnel would not have a combatant role and the aircraft involved would, in effect, provide protection both for the RCAF transport aircraft now in the Congo, as well as for Canadian personnel now operating signals equipment for the United Nations. Attached for you signature, if you agree, is a letter† along the above suggested line to the Minister of National Defence.¹⁸

N.A. R[OBERTSON]

38.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], October 23, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,

¹⁸ Note marginale :/Marginal note:
Signed by SSEA 17/10. R. C[ampbell]

The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill)
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Secretary of State (Mr. Dorion),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

REQUEST FROM U.N. FOR TRANSPORT PLANES FOR CONGO OPERATION
 (Previous reference September 23)

17. *The Minister of National Defence* recalled that Canada had sent two C119 aircraft to the Congo at the special request of the United Nations. The first arrangement was that the aircraft would be required for three weeks, but later this period was extended for another month. He had been asked to extend the loan of these aircraft for a further thirty days.

18. *The Cabinet* agreed to a further thirty days extension of the assignment of two C119 aircraft to the United Nations force in the Congo but, in informing the U.N. of this decision, it should be made clear that there was no intention of continuing this arrangement indefinitely.

...

39.

DEA/6386-40

*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 2473

New York, November 1, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 2162 Oct 10† and Your Tel DL-1381 Oct 27.†

Repeat for Information: DND, CCOS, CANAIRHED for CAS Ottawa (OpImmediate)
 from Ottawa, CANARMY for CGS Ottawa (OpImmediate) from Ottawa.

CONGO: UN REQUEST FOR ASSISTANCE – FLYING CONTROL PERSONNEL

Your reference telegram which notified that Canada could not repeat not provide requested flying control personnel, brought an immediate and concerted reaction. In a personal approach to our Permanent Representative, Bunche asked for urgent reconsideration on basis that lack of control personnel could seriously jeopardize ONUC Air Defence. Ethiopian Ambassador added his plea stating that without control personnel Ethiopian jets in Congo are non-operational (a point of national prestige is also involved). Members of USA Mission expressed concern for effectiveness of UN defensive air operations and hoped for reconsideration of Canadian decision. UN military advisers re-emphasized that USA Government had agreed to

provide costly and complex control equipment on condition UN could assure operation only by qualified personnel and on understanding RCAF personnel were being asked for.

2. USAF representative stated necessary equipment is in such short supply it is necessary to withdraw it from a unit in Oklahoma. If upon reconsideration Canada cannot repeat not provide personnel there would be no repeat no point in shipping it to Congo. Shipment is expected to be made in two or three days.

3. Yesterday in Congo Advisory Committee Meeting Secretariat was under pressure to take effective action to deal with aircraft operating from Katanga which had bombed railroads and villages in South Kasai. Bunche stated Katangese would be given clear warning that aircraft positively identified as engaging in hostile acts would be destroyed on ground or in air.

4. These reactions and requests for reconsideration of Canadian decision are reported for such action as is deemed advisable in light of all factors known in Ottawa.

40.

DEA/6386-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], November 2, 1961

CONGO – UNITED NATIONS' REQUEST FOR ASSISTANCE

Attached is a copy of telegram No. 2473 dated November 1, 1961, in which our mission in New York sets forth the immediate reactions in the United Nations resulting from the notification that Canada, because of a serious shortage, could not provide the personnel needed to man the control equipment for United Nations' aircraft in the Congo. Our mission sent this report for such action as we deem advisable in the light of all the factors known in Ottawa.

You will recall that in a letter dated October 17,[†] you recommended to the Minister of National Defence that we should agree to the United Nations' request provided the necessary personnel were available. Mr. Harkness replied, however, on October 25[†] that the provision of the requested personnel would seriously affect the operational efficiency of the RCAF.

In view of the strong reaction caused by this statement and in the light of the recent outbreaks in the Congo, we consider that Canada should endeavour to provide the assistance requested by the United Nations, if at all possible. Continued inability by Canada to provide the flight-control personnel, which would apparently have the consequence of delaying or making impossible United Nations' air action against Katangese aircraft, could lead to very strong criticism of Canada by the African and Asian countries who are pressing for strong action against Mr. Tschombe and Katangese separatism. Attached for your signature, if you agree, is a letter[†] to Mr. Harkness asking him to reconsider the matter.¹⁹

Also attached for reference purposes are copies[†] of your earlier letter to Mr. Harkness and of his reply.

N.A. R[OBERTSON]

¹⁹ Note marginale :/Marginal note:
Signed by SSEA 2/11. R. C[ampbell]

41.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], November 3, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

LOAN OF R.C.A.F. PERSONNEL TO U.N. CONGO FORCE

5. *The Minister of National Defence* said that several weeks ago the United Nations had requested the government of Canada to make 11 or 12 R.C.A.F. officers and technicians available to help in the control of fighter aircraft of the U.N. Congo Force. A reply had been made that R.C.A.F. personnel suitable for such duties could not readily be spared because they were currently engaged in the conversion of training squadrons to F101 and F104 aircraft.

The U.N. had today renewed its request, explaining that the control equipment was to be supplied by the United States but would not be provided unless R.C.A.F. personnel would operate it. Apart from U.S. personnel, only R.C.A.F. personnel had the necessary training for the operation of this equipment. In the circumstances, the government would probably be criticized if it should refuse to supply the personnel and, as a result, the control equipment could not be used.

6. *During the brief discussion* some said that the fighter aircraft would be used in Katanga. The Canadian government was not committed to support a united Congo, and indeed this was a question of national self-determination rather than one to be forced upon the population by the U.N. The U.N. Congo Force, however, was trying to get between the Congo and Katanga forces, to act as a buffer. At this time about 300 Canadian personnel were serving in the Congo, as compared with the maximum of 500 authorized by the Cabinet. The duration of the assignment of the 11 or 12 R.C.A.F. personnel would be indefinite.

7. *The Cabinet* agreed that 11 or 12 R.C.A.F. officers and technicians would be made available at this time to the U.N. Congo Force to assist in the control of the Force's fighter aircraft operations.

...

42.

DEA/6386-M-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 9, 1961

CONGO – REQUEST FOR MILITARY TRAINING ASSISTANCE

You will recall that on October 19, while you were in New York, a telegram† was sent to our mission suggesting that we consider taking up with the Department of National Defence the proposal from the U.N. Secretariat that Canada should provide military instructors and advisers for the Congolese Defence Ministry. Our mission replied on October 20† that the U.N. authorities were not pursuing the matter at the present time because of the situation in Katanga and of the non-integration of the Congolese forces in the Orientale province.

2. We have now been informed by our Acting Consul General in Leopoldville (a copy of his message No. 313 of November 7 is attached)† that General Iyassu, the Ethiopian officer appointed as Senior Military Adviser to the Congolese Government, considers that the matter should be pursued in spite of the uncertainties of the present situation and indeed has threatened to resign unless the U.N. takes immediate action. General Iyassu told Mr. Gauvin that he would like to obtain from Canada one Lieutenant Colonel, four Majors or Captains and four NCO's for the proposed officer training school and two French-speaking Colonels or Lieutenant Colonels to be assistant advisers to Congolese defence authorities. Iyassu thought that if Canada could reply affirmatively and quickly, the U.N. would be willing to fill the most important positions by Canadian officers, leaving other appointments to other nationalities. He hoped that the Secretariat would agree to sending a formal request to us in the very near future.

3. As you know, the U.S. authorities have told us that they would be grateful if Canada could provide military advisers and instructors for the Congo and General Mobutu has made several approaches to Mr. Gauvin along the same line.

4. I think we should ask our Mission in New York to consult the U.N. Secretariat again, in the light of the information from Mr. Gauvin, to get the most recent views and intentions of the Secretariat in this regard. It seems likely that because of the military situation in the Congo and also because of the recency of U Thant's appointment that the Secretariat may not have reached very firm conclusions.

5. Would you agree with the view that there is little point in approaching National Defence on this matter until the prospects in the Congo are clearer and until the Secretariat is in a position to renew its request for military instructors from Canada?²⁰

N.A. R[OBERTSON]

²⁰ Note marginale :/Marginal note:
O.K. H.C. G[reen] 10/11

43.

DEA/6386-40

*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 10, 1961

SECURITY COUNCIL MEETING ON THE CONGO

Ethiopia, Nigeria and Sudan have requested a meeting of the Security Council "to consider the situation prevailing in the Province of Katanga, Republic of Congo (Leopoldville) caused by lawless acts of mercenaries." Mr. Zorin, the current President of the Council, has proposed a meeting for early next week. It is expected that Spaak, Bomboko and Menon, as well as the above-mentioned three countries, will ask to participate.

2. In view of the unsuccessful attempt of General Mobutu's forces to invade Katanga and the role which European mercenaries are reported to have played in repelling the invasion, the forthcoming meeting will be important for the future of the United Nations operation in the Congo.

3. The two main points of discussion are expected to be:

- (i) clarification of the United Nations mandate in the Congo and particularly the role of United Nations forces, and
- (ii) what to do about the mercenaries.

The choices under (i) are:

(a) UN troops would actively assist the Central Government forces in a military conquest of Katanga.

(b) UN troops would stand aside if the Central Government wished to renew its military operations against Katanga.

(c) UN forces would interpose themselves between Central Government and Katanga forces.

4. While there may be support for (a) from the Congo Central Government, Ethiopia and some of the Casablanca powers, it is doubtful that many of the countries contributing to the UN military operation would agree to their forces being used in this way. India and the Western powers, as well as Mr. U Thant are said to be against such a course. The United Kingdom for one would probably be unwilling to approve such a step in view of their declared position that the differences between Katanga and the Central Government should be settled peacefully by negotiation. (The United Kingdom's chief concern is to avoid disruption of the mining operations in Katanga).

5. In the case of (b) it seems doubtful that the Central Government forces could successfully reduce Katanga unassisted especially if they are without air cover. Prime Minister Adoula appears to realize this and it may be that he will refrain from any further attempts at least so long as the Katanga forces can count on the services of European mercenaries.

6. The remaining possibility (c) of the UN forces interposing themselves between Katanga and Central Government forces seems the best solution provided it has the tacit consent of the Central Government and negotiations with Tshombe are not unduly delayed. Intervention is envisaged under the resolution of February 21 which authorizes the UN forces to prevent civil war. Such a course would, however, mean a change of attitude on the part of the Secretariat who have tended to take the position in the Advisory Committee that Central Government operations against Katanga were essentially a police action.

7. Our own view is that if fighting breaks out again between the Central Government forces and the Katanga gendarmerie it can hardly be regarded as anything less than civil war and the United Nations would therefore be obligated under the terms of the February 21 resolution to intervene.

8. As for the mercenaries, Cordier has suggested that instead of deporting those apprehended, the UN should hand them over to the Central Government for service in work camps. Announcement of this policy would, he believes, cause most of them to leave Katanga of their own accord. Although there would probably be considerable support in the Advisory Committee for such a course it would mean stretching the terms of the February 21 resolution which only provides for measures to bring about the withdrawal of mercenaries from the Congo. Moreover we have reservations about this suggestion because of likely public reaction in Western countries especially those where UN prestige has already suffered considerably as a result of the events in Katanga.

9. Basically the main problem facing the Security Council and all member countries is whether, and to what extent, the UN should side with the Central Government in its quarrel with Katanga. Since the United Nations is committed to the unity of the Congo it clearly must give moral and political support to the Central Government on the issue of secession. It would not, however, in our view be appropriate for the United Nations, whose purpose is to serve the cause of peace, to engage in offensive military operations with the Central Government forces against Katanga. Do you agree that the Canadian representative may take this position if the subject is raised in the Congo Advisory Committee?²¹

N.A. R[OBERTSON]

44.

DEA/6386-40

*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 2668

New York, November 14, 1961

CONFIDENTIAL. PRIORITY.

Reference: Our Tel 2667 Nov 14. †

Repeat for Information: Washington, London, NATO Paris, Paris, Brussels, Cairo (Deferred) from Ottawa, DND, CCOS, CGS, CAS, DNI, DMI, DAI from Ottawa. By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Delhi, Karachi, Kuala Lumpur, Leopoldville from London.

CONGO: SECURITY COUNCIL MEETING

Two draft resolutions are now serving as focus of negotiations in connection with Security Council's discussion of situation in Katanga. Afro-Asian draft resolution in drafting of which UAR, Ceylon, India and to some extent Liberia have participated is given in our telegram 2670 November 14. † Anglo-American draft resolution is given in our telegram 2669 November 14. †

2. Principal purpose of Anglo-American draft resolution is to demonstrate genuineness of Anglo-American desire for ending of secession in Katanga. It is also intended for use in

²¹ Note marginale :/Marginal note:
O.K. H.C. G[reen] 11/11

negotiations with drafters of Afro-Asian resolution since it has been recognized from first that it would be preferable for draft resolution to be presented in Council by Afro-Asians or possibly by all non-permanent members of Council. Anglo-American draft in several respects is broader than that of Afro-Asian members and UK and USA missions will be trying to add to Afro-Asian draft. Specifically they will press for inclusion of a paragraph along lines of operative paragraph two of their draft resolution to effect that Republic of Congo is responsible for conduct of external affairs. They would also like to see a reference to desirability of continuing negotiations to achieve territorial unity and integrity of Congo. They will suggest that this might be done by amplifying operative paragraph eight of Afro-Asian draft. Only principle objection to Afro-Asian draft is reference in operative paragraph four to "use of force" to apprehend mercenaries in Katanga. It is felt that this might lead to a resumption of fighting in Katanga and therefore frustrate political settlement.

3. Anglo-American draft was prepared largely by USA Mission and accepted by UK Mission on understanding that they would have to secure approval of Foreign Office. The Foreign Office has since objected to operative paragraph nine. USA are now suggesting that UK position might be protected by addition of a term such as "without prejudice to ceasefire."

4. Prospects are that resolution which emerges will gain unanimous support of Council. It is recognized however that while this will have some psychological effect, new efforts will have to be made to bring Tshombe to negotiating table. Spaak has some encouragement from fact that he had received on November 13 a letter from Tshombe referring to negotiations but letter continues to insist on need to maintain entity of Katanga. USA Mission which has seen letter considers that Tshombe has given no repeat no ground. They see principal hope in possibility of threatening Tshombe with division of Katanga into two parts. We sense that USA are working along these lines with Central Government. Bomboko referred in his statement to fact that Tshombe does not repeat not control North Katanga. We understand that Sendwe has gone to Albertville to emphasize possibilities of an alternative government for North Katanga. Faced with this threat it is USA hope that Tshombe will become more amenable.

5. As indicated in our telegram under reference only four governments who are not repeat not members of Security Council have asked to participate in debate. Neither Nigeria nor repeat nor Sudan whose representatives had co-signed letter which requested meeting of Security Council have yet asked to take part although they both expect that they will receive instructions. Fact is that both governments have apparently changed their minds since signing letter and would have preferred to have meeting delayed for sometime in order to give U Thant more time to study problem. We have been told by representatives of a number of countries which participated in February series of meetings, e.g. Guinea, Indonesia, Poland that they do not repeat not plan to participate in this series of meetings. One of uncertainties is Ghana. Their delegation have asked for instructions. They consider that if a resolution is likely to gain general support there is no repeat no advantage to be gained from their participation. Only if it seems that a resolution will not repeat not be approved so that Secretary-General will have to be influenced by consensus of opinion, would they expect to participate.

45.

DEA/6386-40

*Note du chef de la Direction de l'Afrique et du Moyen-Orient
pour l'adjoint spécial au secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, African and Middle Eastern Division,
to Special Assistant to Secretary of State for External Affairs*

RESTRICTED

[Ottawa], November 17, 1961

THE CONGO

The Security Council is debating the situation in the Congo and is expected to adopt a resolution clarifying and strengthening the United Nations mandate. An Afro-Asian draft (attached)[†] has already been submitted to the Council by Ceylon, Liberia and the UAR. The USA are expected to submit an alternate draft perhaps along the lines of that contained in telegram 2669 from New York (attached).[†]

2. The Afro-Asian draft resolution reaffirms United Nations support for the Central Government of Prime Minister Adoula, calls for an end to all secessionist activities in Katanga, and requests all states to take measures to prevent army equipment and material from reaching the Congo except in accordance with the decisions, policies, and purposes of the United Nations. (This latter condition would leave the door open to providing equipment and possibly aircraft to the Central Government through United Nations channels if this seemed desirable.) The draft also authorizes the Secretary-General to use force if necessary to apprehend foreign mercenaries and goes further than previous resolutions by providing not only for their deportation but also (presumably at UN discretion) for their detention pending legal action. This is designed to solve the problem of mercenaries returning to Katanga after they have been deported. The feeling in New York is that the possibility of detention and the implied threat that they may be handed over to the Central Government authorities will be enough to cause most of the mercenaries to leave the Congo of their own accord.

3. The Afro-Asian draft is silent on the question of whether the United Nations forces in the Congo should actively assist the Central Government in a military operation to reduce Katanga. Most Western countries, as well as India and Mr. U Thant are against this and, as you know, Mr. Green has stated publicly that Canada does not believe the United Nations should engage in offensive operations against Katanga.²² This would not mean, however, that the United Nations could not use force to protect its own personnel or, for example, to relieve United Nations units which might be surrounded or attacked.

4. The main USA objection to the Afro-Asian draft is that it is directed against one aspect of the Congo problem, Katanga, and does not take account of the recent anti-Central Government activities of Gizenga. We understand the USA proposal will include strengthening the Congolese National Army by creation of a small air force. This is in response to a demand from the Central Government for an air force. The USA are apparently afraid that if they refuse this request the Central Government may turn elsewhere.

5. The events of the past few days at Kindu in Kivu Province and at Albertville in Katanga have added a new element of urgency in the Congo problem. In Kindu Congolese troops from Stanleyville arrested and killed thirteen Italian United Nations air crew. The troops involved disregarded the orders of General Lundula, who has now made his peace with the Central Government and are believed to be under the control of Gizenga, who is reported to have gone

²² Voir/See Langevin Coté, "To Crush Mutiny in Congo: Use of Arms Not Favored by Canada," *Globe and Mail*, November 16, 1961, p. 1.

to Kindu after denouncing the Central Government and appealing to left wing elements in the country to join his new Panalu Party. Mr. U Thant has issued orders to the United Nations forces in the Congo to punish those responsible for the murder of the Italians. He also seems to be prepared, without waiting for a further mandate, to authorize the United Nations to take the strongest measures, including force to restore order in Kindu and according to latest reports United Nations aircraft have bombed Congo troops at Kindu. The United Nations may also need to take stern measures in Albertville where some elements of the Congolese forces got out of hand recently when the city was taken over by anti-Tshombe elements of the population.

6. The main new element in the Congo situation is the open break between Gizenga and the Central Government. Gizenga appears to have quarrelled with Lumumbist provincial leaders in Stanleyville and to have moved to Kivu Province, taking with him loyal elements of the Congolese Army in Stanleyville. His plan appears to be to start a new nationalist movement aimed at overthrowing and replacing the Adoula Government in Leopoldville. Another new element is the report of the United Nations commission investigating the death of Lumumba which casts strong suspicion on Tshombe and the Katanga Government and also blames President Kasavubu for having handed over Lumumba to his political enemies.

7. Tshombe still seems to be as unwilling as ever to negotiate a reconciliation with Adoula, even though the United Kingdom, the Belgian Government and the French have apparently been advising him strongly to do so. He maintains that he will not negotiate so long as the Central Government continues its threats and propaganda attacks against him. He also refuses to acknowledge the applicability of the "fundamental law" (constitution) which is one of the conditions demanded by Adoula. The Central Government demands that Tshombe acknowledge the supremacy of President Kasavubu as Chief of State of a united Congo, whereas Tshombe will only recognize him as a Head of a confederation of autonomous states.

8. The most recent figures available on the dispersal of Canadian signallers in the sensitive parts of the Congo are those for November 2 as follows:

Kamina	9
Elizabethville	11
Luluabourg	9
Bukavu	10
Albertville	<u>11</u>
	<u>50</u>

In each place there is one officer; the remainder are signals NCO's.

R.E. COLLINS

46.

DEA/6386-M-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 21, 1961

CONGO – REQUEST FOR MILITARY TRAINING ASSISTANCE

On November 9, I sent you a memorandum informing you of the latest development concerning the U.N. request to provide military training assistance to the Congolese forces. You indicated that you would agree with the view that there would be little point in

approaching National Defence on this matter until the prospects in the Congo become clearer and until the Secretariat were in a position to renew its request. On the basis of this memorandum a telegram† was sent to our mission in New York to get the most recent views and intentions of the Secretariat in this regard. A copy of this telegram was referred to the Chairman, Chiefs of Staff, for his information. Attached for your information is a letter, dated November 20, 1961,† from Air Marshal Miller with reference to this message. He has advised us that his Department is doubtful of its ability to meet any requests for further French-speaking officers for the Congo and suggested therefore that no encouragement be offered to the U.N. authorities on this request.

2. Attached, therefore, for your signature, if you agree, is a telegram† bringing the reaction of the Chairman, Chiefs of Staff to the attention of our mission in New York and suggesting that, in view of this, they should not approach the Secretariat at the present time. If they have already done so on the basis of our telegram of November 16, it is suggested that they should inform the Secretariat that it is unlikely that Canada could provide the assistance requested.²³

3. We have received a further telegram from Leopoldville on this subject, a copy of which is attached (No. 329 of November 20, 1961).† As you will see, the Secretariat has informed General Iyassu, the Ethiopian officer appointed as Senior Military Adviser to the Congolese Government, that none of the countries which have been asked to provide officers and instructors have replied. It is General Iyassu's impression that this matter is being given a low priority in the Secretariat. He has suggested that if Canada is willing to send personnel, we should reply without awaiting further requests. A copy of our telegram to New York is therefore being sent for information to Leopoldville in order to inform Mr. Gauvin that we are not prepared to agree to General Iyassu's suggestion.

N.A. R[OBERTSON]

47.

DEA/6386-40

*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 ME-567

Ottawa, November 22, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tels 2809 and 2810 of Nov 20/61.†

Repeat for Information: Washington, London, NATO Paris, Paris (OpImmediate), Cairo (Deferred), Brussels from Ottawa, DND, CCOS, CGS, CAS, DNI, DMI, DAI Ottawa from Ottawa.

By Bag Pretoria, Accra, Lagos, Moscow, Dublin, Dehli, Karachi, Kuala Lumpur, Leopoldville from London.

CONGO

While recognizing that U Thant is under pressure to do something positive we would hope that whatever action may be taken would be compatible with the basic assumption of the UN operation that a final solution to the Congo problem should be reached peacefully by the Congolese without foreign interference.

²³ Note marginale :/Marginal note:
Signed by SSEA 22/11. R. C[ampbell]

2. In view of what happened to the Italian airmen at Kindu and the apparent nervousness and lack of discipline amongst the ANC, we believe a high degree of priority should be given to the problem of regrouping UN forces in such a way as to afford maximum protection to UN personnel. While there may be valid reasons why the Malayan troops were unable to protect the Italians at Kindu it seems unlikely that public opinion will accept them. (In this connection the Italian ambassador called on the Department to inform us that his government was very disturbed at the apparent inability of the UN to protect its personnel.) As you know, we have taken a position against the use of force by the UN to suppress Katanga but this does not of course mean that we are against the use of force, if necessary, to protect UN personnel and in the last resort to maintain law and order.

3. We agree with you that U Thant's ideas about settling the mercenary problem could lead to a renewal of fighting or at least a number of unsavoury incidents. We would hope therefore that it could be recognized that the primary responsibility for getting rid of mercenaries should rest with the Katanga authorities and that before any action is taken an effort would be made to persuade Tshombe to issue a statement such as he made at the end of August accepting in principle that mercenaries be withdrawn.

4. We have never been too happy about the proposal to hand mercenaries over to the Central Government and we are glad to note that U Thant's idea is to have those not deported guarded jointly by UN and ANC. However, this still leaves the problem of what to do if the Central Government should press to have them tried under Congolese law. Regardless of how strongly one may feel about these soldiers of fortune it would not sit well with public opinion in many Western countries if they were handed over for trial to an administration which has little or no judicial apparatus or experience.

5. We are glad to note that the UN are aware of the dangers of permitting the ANC to enter areas in the wake of UN forces. This would apply especially to the southern non-Baluba part of Katanga when and if the mercenaries are eliminated.

6. In general we are not over-optimistic about finding an early solution to the Congo's problems. It would seem however that Gizenga's latest moves posing as they do a threat to the moderates in the Central Government have made it more important than ever that Tshombe and Adoula be brought together. There seems little prospect at the moment of Tshombe agreeing to Adoula's prior condition that he recognize the *loi fondamentale* and Kasavubu as President of a United Congo (although he seems to be willing to recognize Kasavubu as President of a Con-Federal Union such as was discussed at Tananarive.) Some effort will have to be made therefore to find a face-saving formula for breaking the deadlock. One idea which has occurred to us is that the suggestion might be put to Tshombe that as a goodwill gesture he declare unilaterally his willingness to begin without prejudice making financial contributions to the Central Government treasury. Such a concession might enable Adoula to drop his prior condition regarding the *loi fondamentale* and agree to meet Tshombe elsewhere than Leopoldville, say in New York under UN auspices. This is only an idea and we would be interested to know of any others (such as the suggestion of a mediator from Ivory Coast or Sudan) which may have been made by the Secretariat or other delegations.

48.

DEA/6386-40

*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, 1961

SITUATION IN THE CONGO

On November 24 the Security Council adopted an Afro-Asian resolution which *inter alia* reaffirmed United Nations support for the Central Government, deprecated secessionist activities in Katanga, as well as attacks on United Nations forces and personnel, requested all states to take measures to prevent arms from reaching the Congo and authorized the Secretary-General to use force if necessary to apprehend mercenaries and political advisers.

2. In addition to dealing a severe blow to Tshombe's secessionist ambitions, the main feature of the resolution was that it strengthened the hand of the Secretary-General in dealing with mercenaries in Katanga: he was specifically authorized to use force to apprehend them, and the resolution went further than previous ones by providing not only for their deportation, but also (presumably at UN discretion) for their detention pending legal action. This was designed to solve the problem of mercenaries returning to Katanga after they have been deported. It also held over them the threat that they may be handed over to the Central Government.

3. In a statement prior to the vote, U Thant said that he intended to discharge his responsibilities vis-à-vis the mercenaries with vigour and determination. At the same time, he warned that it would not be possible to concentrate all UN resources in Katanga in view of the unstable situation in other parts of the Congo. He appealed for additional troops, especially from African countries (Ghana has already responded). He also indicated that the UN would not take sides militarily between the Central Government and secessionists but would continue its efforts at conciliation. In this connection, he mentioned the possibility of appointing an individual of high standing to mediate between the Central Government and Katanga.

4. Mr. U Thant is expected to outline his plans for implementing the Security Council Resolution at a meeting of the Congo Advisory Committee this week. It would seem, however, that at least before the fighting mentioned below, he had been hoping to make one more attempt at conciliation before considering the use of force against the mercenaries.

5. Western consultations before and during the Security Council debate revealed a certain divergence of views between the United States and Britain. This was confirmed when the United States voted for the resolution while the United Kingdom (and France) abstained. While the United States has generally been prepared to accept a strong UN policy towards Katanga, the United Kingdom Government, under pressure from the popular press and financial interests has been reluctant to see force used against the mercenaries and has restated in strong terms its position that the role of the UN should be primarily to conciliate and pacify and that the differences between Tshombe and the Central Government must be settled through peaceful negotiations. In a way this amounts to a pro-Tshombe policy since any negotiations which take place while mercenaries remain in Katanga and Tshombe has not recognized the supremacy of President Kasavubu would find Tshombe in a strong position at the bargaining table. In short, it would seem that the United Kingdom in the past few months has tended to adopt a more "European" policy towards the Congo.

6. The immediate result of the Security Council resolution was to increase tension in Katanga, particularly amongst the gendarmerie who were angered at the prospect of a new UN drive to round up white volunteers. Tshombe condemned the resolution and called upon the population to be prepared to defend their homeland. A number of incidents followed his speech: two high-ranking UN officials were arrested and beaten by the Katanga gendarmerie; one Indian soldier was murdered and an officer kidnapped; eleven UN soldiers (mostly Swedes) were captured. These incidents appear to have been perpetrated without the specific authorization of the Katanga Government (presumably at the instigation of individuals who hoped to force the UN out of Katanga), and suggests that the Katanga authorities may no longer be able to control events.

7. On December 5 the Katanga gendarmerie set up a road block between Elisabethville and the local airport. After protracted and futile talks with Katanga ministers to have the road block lifted, the UN authorities on the spot decided to take military action to clear it. In the course of this action (which was successful), fighting broke out between UN forces and the Katanga troops. There were also reports of sniping by local Belgians. Faced with this situation U Thant authorized the UN forces to take all necessary action to ensure freedom of movement including the occupation of key points. Additional UN troops (Nigerian, Irish and Swedes) are being airlifted to Katanga with the help of United States aircraft in Leopoldville and UN (Indian) jet [bombers] are reported to have destroyed four Katanga aircraft on the ground at Kolwezi.

8. It seems clear that the current military action is related essentially to the protection of UN personnel and the UN Command in Katanga; in this respect, it is quite different from the action initiated by the UN last September which was connected with removing mercenaries. It is also clear that the UN action was taken only after every attempt had been made to reach agreement with the authorities in Katanga and after the situation regarding the security of UN personnel had become quite intolerable with individuals being picked off, held as hostages or killed.

9. Mr. Ritchie is confident that the Acting Secretary-General Mr. U Thant and his representative on the spot, Mr. Bryan Urquhart, will act with every possible restraint but with firmness in ensuring that all necessary measures were taken for the safety of UN troops; in this connection Mr. Urquhart is considered to be far less emotional and prejudiced than his predecessor, Dr. O'Brien.

10. Mr. Ritchie informs us that the report about abandonment of UN positions in Elisabethville is related to a deliberate policy of regrouping in order to concentrate on the essential points of communication, particularly the protection of the airport, in the interests of the best protection of UN personnel and the UN Command.

11. Although there may be some public outcry in Western countries and particularly in the UK, the forceful action of the UN should serve to restore its prestige with the Central Government and will benefit the moderates in Leopoldville. It will presumably be welcomed by the Afro-Asian member states and particularly the Indian contingent who have been smarting from the so-called victory of the Katanga forces last September and were in an highly excitable mood following the murder of the Indian soldier.

12. There may now be increased pressure on Tshombe to negotiate although it will be more difficult for him to do so without losing prestige. That he is anxious to negotiate was demonstrated when he tried to arrange a meeting with Adoula on an island in the Congo River during a recent stopover in Brazzaville. The main stumbling block is Adoula's insistence that the negotiations take place in Leopoldville and that Tshombe first recognize the *loi fondamentale* as the present constitution and Kasavubu as Chief of State of a united Congo. Tshombe, for his part, is afraid to go to Leopoldville and maintains that the *loi fondamentale* is no longer applicable in the present situation in the Congo. He will only recognize Kasavubu as President of a federation of sovereign states as agreed at Tananarive. In fact, Tshombe wants to

protect his bargaining position by making it clear that he is sitting down with Adoula as an equal. What the present situation demands, therefore, is a face-saving formula for a meeting which will preserve the unity of the Congo and enable UN forces gradually to extricate themselves with their own prestige intact.

13. According to the latest information in the Department of National Defence the deployment of Canadian Army signallers in Katanga is 10 at Elisabethville, 11 at Kamina and 11 at Albertville. A party of Canadian air control personnel (4 officers and 6 airmen) arrived at Leopoldville on November 24. Some of them may have gone on to Luluabourg or Kamina. There has been no sign so far that Canada will be requested to send additional personnel as a result of the fighting in Katanga.

N.A. R[OBERTSON]

49.

DEA/6386-C-40

*Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures*

*Minister of National Defence
to Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, December 7, 1961

My dear Colleague:

On 24 October 1960, the Secretary-General, acting on a recommendation of the first United Nations Commander (Major General Von Horn), requested Canada to fill the Air Commander position in the rank of Air Commodore at Headquarters United Nations Force in the Congo. Canada accepted this commitment on the understanding that the tour of duty for this officer would be for a period of six months and that the filling of this position by a Canadian would be subject to review when he is due for replacement. I now consider that the Air Commander position should no longer be filled by a Royal Canadian Air Force Officer.

In accordance with the Security Council's resolution of 22 July 1960, the aim of the United Nations was to provide assistance with a view to preserving the unity, territorial integrity and political independence in the Congo in the interests of international peace and security. The main instrument of the United Nations, created for the maintenance of law and order and the protection of civilian life, was the United Nations Force. Realizing the importance of air transport to the fulfilment of the objective, the Secretary-General requested a large air transport force both for external and internal support. Canada responded quickly to this request by providing North Star aircraft for external support and plans were made for the provision of a rather large Canadian air contribution for internal support. For this reason, coupled with the fact that of all the countries contributing to the Air Transport force the Royal Canadian Air Force was the most experienced in directing large scale transport operations and the Headquarters Air Staff was to be largely Canadian, my predecessor recommended that Canada fill the Air Commander position.

The Security Council on 20-21 February 1961 enlarged the aim of the United Nations operations in the Congo to include the urgent purpose of countering the development of a serious civil war situation. Additionally there was evidence in the spring that fighter aircraft would be made available to the Katanga Air Force. In light of this and the fact that the Air Commander's staff did not reach predominately Canadian status, it was with some reluctance that I agreed in May 1961 to provide the Air Commander for a further six months.

On 21 September 1961, the United Nations decided to build an Air Force military component within the ONUC. Accordingly, the acting Secretary-General requested various countries to provide military air transport, jet fighters and jet bombers. These have been provided and consequently the Air Commander's staff will have to be enlarged which will result in a further dilution of Canadian content and if he is to be of maximum use to the United Nations Force Commander his responsibilities will have to be increased to include defensive and offensive military operations.

On 17 November 1961, the Security Council reaffirmed their resolution of last February and authorized the acting Secretary-General to use force in support of the Central Government. Following a breakdown in negotiations between Dr. Linner and the Katangan authorities, the former advised the acting Secretary-General that the situation had deteriorated sharply and that large scale incidents could be expected. The acting Secretary-General has now delegated authority to his representative to use force if required to effect the UN mandate. The ONUC aircraft, including the nine jet fighters and six jet bombers, are now engaged in support operations and the Katanga air force base at Kolwezi has been attacked.

The above review points out the changing role of the United Nations Force in the Congo. The original requirement for an Air Commander experienced in large scale Air Transport operations has clearly been overtaken by events. In fact the present situation is such that I believe that the accepted international principle of the country supplying the largest force also provides the Commander should be adopted by the United Nations.

For the reasons stated, I strongly recommend that upon completion of the present Air Commander's tour of duty this position no longer be accepted by Canada.

Yours sincerely,

DOUGLAS S. HARKNESS

50.

DEA/6386-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], December 15, 1961

CONGO – REPLACEMENT FOR A/C MORRISON

Attached is a letter from the Minister of National Defence which is dated December 7, 1961 but was received during your stay in Paris. As you will see, Mr. Harkness argues strongly that the position of Air Commander in the United Nations Force in the Congo should no longer be filled by an RCAF officer. He has recommended that, on the completion of A/C Morrison's tour of duty, "this position no longer be accepted by Canada."

2. We are informed that A/C Morrison's tour ends on January 4, 1962, but that the RCAF wishes to have him repatriated in the last days of December. The U.N. Secretariat has already requested us to provide a replacement for him. Our letter to Air Chief Marshal Miller,[†] endorsing the Secretariat's request, crossed with Mr. Harkness' letter. General McEoin has informed Mr. Ritchie in New York that he was highly satisfied with A/C Morrison's performance in the Congo and there is little doubt that the U.N. is relying on us to keep him, or appoint somebody of like ability, to command the U.N. air operations which are playing such a vital role in the Congo.

3. Several reasons occur to me why it would be to Canada's interest to have this position filled by a Canadian for a further period. The Air Commander is in a favourable position to watch over the safety and welfare of Canadian troops serving in the Congo in widely scattered locations. Not only would he quickly learn about trouble when it occurred, but he would be in a key position to notify the Canadian authorities in Ottawa and take appropriate action on the spot to evacuate Canadian personnel or otherwise assist them. Also the U.N. might find it very difficult to recruit elsewhere a suitably qualified replacement who would be politically acceptable. The appointment of a less fully qualified Air Commander could seriously affect the morale of our personnel in the Congo.

4. The argument that the "accepted international principle" is that the country supplying the largest force should also provide the Commander, referred to in Mr. Harkness' letter, has not always been followed by the U.N., particularly in the case of General Burns. Other political considerations must be taken into account when a U.N. Commander is selected.

5. Whatever the pros and cons which may be put forward on the question of the advisability in general of the selection of a Canadian for this post, it is obvious that in the present circumstances the decision will have to be taken in the light of the current developments in Katanga. We have little information on the role exercised by A/C Morrison in the operations in Katanga. His main responsibility is to keep U.N. aircraft operational, whether they be transport or combat. It seems likely that the day-to-day control of the combatant aircraft in Katanga would be the responsibility of the local Commander, Brigadier Raja. There is little doubt, however, that A/C Morrison cannot have escaped being involved to some extent in the U.N. air operations in Katanga. These operations have become the object of controversy, as you know. However, on December 14, the Prime Minister stated to the press that –

"It is our understanding that recent U.N. action in Katanga is the result of a series of provocative acts and was taken only when all efforts to discuss the situation with Katanga authorities had failed. It is also our understanding that the main purpose of the U.N. action is to assure safety of U.N. personnel in Katanga and to ensure freedom of movement without which it cannot carry out its mandate in the Congo."

A/C Morrison's return at this time might, therefore, be interpreted as an expression of the Canadian Government's disapproval of the U.N.'s current operations in Katanga and as a variance with this statement. Moreover, this would, I think, be an inauspicious moment to replace the Air Commander by an officer who would not have had time to familiarize himself with local conditions at a particularly difficult time.

6. For these reasons, I believe that the repatriation of A/C Morrison should be postponed for three months, by the end of which time the situation will be clearer and a decision taken on the merits of appointing a Canadian replacement without having to take into account the exceptional circumstances of the present hour.

7. You may wish to raise this matter personally with Mr. Harkness. Alternatively, we attach for your consideration a possible letter† to him which incorporates some of the arguments mentioned above.²⁴

N.A. R[OBERTSON]

²⁴ Note marginale :/Marginal note:
Signed by SSEA 17/12. R. C[ampbell]

51.

DEA/6386-40

*Note de la Direction des Nations Unies
pour la Direction de l'Afrique et du Moyen-Orient*

*Memorandum from United Nations Division
to African and Middle Eastern Division*

SECRET. CANADIAN EYES ONLY.

[Ottawa], December 15, 1961

UNITED NATIONS OPERATION IN KATANGA

You will recall our discussion with the Under-Secretary about this subject. In the attached memorandum, which should be regarded as a draft, I have tried to set down the main considerations which appear to have a bearing on the current situation in Katanga. The assessment is based on the point of view of United Nations Division and you may not agree entirely with the general approach of the paper. However, I hope that it may be of some value in preparing a Departmental position, possibly for presentation to the Minister on his return to Ottawa.

2. I shall be glad to discuss the matter further at your convenience. Presumably, if a position paper is prepared for Ministerial approval, it may be desirable to have further consultation involving the other Divisions to which this memorandum has been sent for information.

G.S. MURRAY

[PIÈCE JOINTE/ENCLOSURE]

*Note de la Direction des Nations Unies
Memorandum by United Nations Division*

SECRET. CANADIAN EYES ONLY.

UNITED NATIONS OPERATION IN KATANGA

The most recent outbreak of fighting in Katanga, between United Nations forces and the Katanga gendarmerie, makes it very desirable to reassess the United Nations operation in that province and in the Congo generally. Already the repercussions of the fighting are very serious for the United Nations itself and for several member governments, especially the United Kingdom and Belgium. Perhaps the most disquieting factor in the present situation is that the United Nations has announced no clear aims and no plan for the immediate future. Ostensibly the fighting is intended to ensure that the United Nations military force in Katanga has freedom of communications and movement. There is more than a suggestion, however, that in the armed conflict the Katangese forces will be shattered and that Mr. Tshombe will be obliged to enter into negotiations with the United Nations and with the Central Government of the Congo.

2. An added worry is the continued activity of white mercenaries. According to the United Nations sources, they continue to be the rallying force behind the armed resistance of Katanga and that, in doing so, they are the paid agents of the Union Minière. The indications are that the eviction of the mercenaries, called for by the Security Council resolution of February 21, 1961, would be virtually impossible, even if the United Nations had sufficient military strength at its disposal, because individual mercenaries or small groups of them could conceal themselves in the jungle and in the guise of civilians employed by private companies. Besides, any detailed search for mercenaries by the United Nations could easily develop into a witch hunt with an anti-white bias.

3. There is also the threat that if the fighting continues and if the United Nations seems to be getting the upper hand, the expensive installations of the Union Minière, including mines, power stations, dams and other facilities, will be destroyed. Some reports say that this "scorched earth" policy would be carried out by Tshombe's followers but others suggest that the Union Minière, perhaps acting through the mercenaries, would destroy its own facilities rather than have them fall into the hands of the Central Government. The Union Minière seem convinced that the Central Government would at once nationalise all the industrial holdings of the Company in Katanga. Destruction of the extensive facilities would, of course, be a severe blow to the whole economy of the Congo.

4. Another disturbing factor is that, in concentrating its military force in Katanga, the United Nations is spread very thinly in other parts of the Congo. This could play into the hands of Lumumba followers and particularly Mr. Gizenga. At an appropriate time, he might be tempted to make another move to establish himself either in Orientale province or in Kivu. He might make a move against the Central Government. Even if no such attempt were made, there is a risk that with the prolongation of the Katanga situation, the Adoula Government would collapse, opening an opportunity for Gizenga. This possibility undoubtedly enters into the calculations of the Soviet Union and perhaps of some of the Casablanca powers. In the circumstances, it is most desirable that the Central Government should not divert its attention from other problems in the Congo by attempting to force an outcome in its favour in Katanga.

Objectives

5. The foreseeable objectives in the Congo should be as follows:

(a) As soon as possible, negotiations between Adoula and Tshombe should be arranged. Adoula and Tshombe need each other to preserve the strength they need to offset the influence of Gizenga. If a mediation effort is needed, it can probably not be made by the United Nations because undoubtedly the fighting in Katanga has eliminated any beneficial influence which the United Nations might have on Tshombe. This probably applies as well to most of the countries participating in the United Nations operation but especially to those whose troops are actively engaged in Katanga. Many of the African states would fall into this category, although not the Brazzaville group.

(b) The United Nations military operation in Katanga must achieve quick success. This means primarily that the immediate military aims should be limited and that they should be clearly enunciated. It seems desirable that, in the process of achieving these aims, the United Nations should ensure that the gendarmerie and the mercenaries are effectively brought under control so that they are unable to regroup in future for another armed contest. Some other means than direct eviction by the United Nations must be found to eliminate or reduce the threat from the mercenaries.

(c) The Union Minière should be persuaded to drop its continued opposition to the United Nations and to see that the United Nations is perhaps the only attainable assurance that the Union Minière will not lose the whole of its investment in Katanga. The Company will be more readily persuaded on this score if it can secure some kind of assurance from the Central Government that immediate nationalization will not follow the reintegration of Katanga into the Congo Republic. Private conversations between the Union Minière and the Adoula Government might be the best means for trying to bring about this result.

(d) The prestige and influence of the United Nations should be restored not only in the Congo and Africa but in a general sense. This implies that all member states should make every effort to bring about an early Congo solution which would redound to the credit of the United Nations. It could be very serious for the United Nations if there should develop, because of the present fighting in Katanga, a sharp debate which would bring to the surface the doubts, differences and disagreements about the conduct of the Congo operation. It would be

especially serious if major countries in Western Europe took sharp issue with the Acting Secretary-General, with the African-Asian states and possibly with the United States as well. The Soviet Union would benefit from rifts of this kind; the Western powers would probably suffer severely; and the United Nations might be dangerously weakened, all this at a time when the Organization is desperately trying to rally support for financing methods urgently needed to meet peace-keeping costs.

Canadian Policy Considerations

6. In the current situation, the main Canadian policy considerations appear to be:

(a) to continue to support the United Nations effort in the Congo so that, with United Nations assistance, the Congolese can achieve a peaceful settlement.

(b) to ensure, as far as possible, that United Nations personnel, especially Canadians, serving with the United Nations in the Congo are adequately protected.

(c) to use Canadian influence with the United Nations, with the parties directly concerned and with friendly states to encourage peaceful reconciliation in the Congo.

(d) to seek to preserve the United Nations capacity for peace-keeping by helping it maintain its prestige and influence in the Congo dilemma.

7. If these considerations are applied to the actual fighting in Katanga, they suggest that Canadian influence in the Advisory Committee and elsewhere in the United Nations should be to encourage the Acting-Secretary-General to define as clearly as possible the limited objectives which the United Nations is now seeking in Katanga and to relate these to the general United Nations objective of attaining a peaceful reconciliation for the whole Congo. Canadian representatives should also urge that the fighting be brought to a halt as soon as the United Nations position is made secure and that, in the meantime, every effort should be made to minimize bloodshed and destruction from United Nations action. In presenting these views, however, Canadian spokesmen should be careful not to create the impression that Canada's support for the United Nations operation is diminishing in any way. In all probability, the Western powers will be closely watched by the African-Asians for any sign that they are weakening in their resolve to ensure that the Congo is reintegrated with United Nations assistance. Sharp criticism could be expected if Canada appeared to equivocate in the current situation.

8. Perhaps even before the fighting stops in Katanga, some further move should be made to make contact between Adoula and Tshombe. At the moment it is not clear which country could act as intermediary; perhaps a small group would be required. The alternative would be to choose some individual with an established international reputation. Again a suitable candidate might not be easily found.

9. The key to the problem created by the activities of the mercenaries probably lies in persuading the Union Minière that they cannot hope to gain anything by continuing their opposition to the United Nations. Their only hope of maintaining viable business operations in the Congo depends on an agreement with the Central Government and possibly with provincial authorities, concerning the future of the Company in Katanga. This agreement could be underwritten to some extent by the United Nations, that is, the United Nations would seek in its future relations with the Central Government to persuade them to co-operate with Union Minière. Presumably the United Nations will have a sizeable role in the Congo for some time to come because of the essential need for economic aid and technical assistance from international sources. If some way could be found to give the Union Minière assurance of this kind, they might be better disposed toward the United Nations operations in the Congo and change their position from last-ditch opposition to co-operation. This should mean that the

activities of mercenaries would virtually cease or at least be reduced to manageable proportions.

10. This memorandum contains a current assessment based on known factors, which could change quickly because of the pace of developments in Katanga and elsewhere in the Congo. The assessment is based on the point of view of United Nations Division.

52.

DEA/6386-40

*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 16, 1961

SITUATION IN KATANGA

The military situation in Elisabethville is moving towards a climax. For the past forty-eight hours the UN has been engaged in a ground offensive aimed at a series of limited objectives to regain control of the city. Reports indicate that morale is flagging amongst the gendarmerie and that without the mercenaries there would be little fight left in them, although it is always possible because of tribal loyalties that they might take to the bush. The UN does not envisage a formal cease fire but would be willing to co-operate in creating an atmosphere for a meeting between Adoula and Tshombe by stopping all action except for absolute minimum self-defence, once their minimum objectives have been reached and it was clear that Tshombe has abandoned his defiance.

2. U Thant and President Kennedy have made parallel efforts to arrange a meeting between Adoula and Tshombe. U Thant has authorized Bunche, who is in the Congo on his way back from the Tanganyika Independence celebrations, and Gardiner (Ghana) to try to mediate and President Kennedy, in response to an appeal from Tshombe to call a cease fire, has designated the United States Ambassador in Leopoldville (Gullion) as his personal representative for this purpose. The present idea seems to be that Bunche will talk to Tshombe while Gullion tackles Adoula. Since Adoula does not return to Leopoldville from Kivu until Sunday and Tshombe is reported to have moved to Kipusi, a mining town on the Rhodesian border, it may be some time before such a meeting can be arranged, if at all.

3. The United Nations appear to be losing some ground with public opinion in the United States and perhaps in certain Canadian circles, as a result of the emphasis which is being placed on the anti-Communist and self-determination aspects of the Katanga case. A Citizens Committee for Aid to Katanga Freedom Fighters has been formed in New York and United States policy on Katanga was the object of a partisan attack yesterday by the Chairman of the Republican National Committee. It would seem, therefore, that unless the fighting can be brought to an end soon it will be more and more difficult to maintain public support for the UN action.

4. France and Congo (Brazzaville) have denied their air space to UN aircraft bringing troops or munitions to the Congo. Brazzaville has called for an urgent meeting of the Security Council but we understand there is no support for this from any of the permanent members or from the Afro-Asian group in general.

5. The Congo Advisory Committee met this morning and a report from New York is expected Sunday. In general the discussion was not controversial and the Africans took a surprisingly restrained view of things. There was general recognition that although the

immediate objectives were military they would inevitably have political consequences. In this connection Brigadier Rikhye warned against expecting an overall military victory for the UN. The military operation could only create a situation conducive to a political solution. The Committee recognized the necessity for talks between Adoula and Tshombe but not at the price of a premature cease fire. U Thant was in favour of such talks provided:

- (a) Adoula approved, and
- (b) Tshombe did not insist on conditions.

Everyone praised the United States position (supported by Canada and Norway) and were extremely critical of the British and French. U Thant announced that Tunisia has agreed to send 300 troops to the Congo immediately.

6. Attached for your information are copies of the latest telegrams† and also a draft statement which we understand the Prime Minister used to-day.²⁵

N.A. R[OBERTSON]

53.

DEA/6386-D-40

Note de la Direction de l'Afrique et du Moyen-Orient
Memorandum by African and Middle Eastern Division

CONFIDENTIAL

[Ottawa], December 20, 1961

VISIT OF CONGOLESE DELEGATION TO CANADA, DECEMBER 4-6, 1961

The visit of the Congolese Delegation, having been cancelled twice, was uncertain until the arrival of the visitors at the airport in Ottawa. For this reason, the visit started in a state of confusion quite similar to that existing in the Congo.

...

3. After a brief call at Mr. Cadieux's office, where Mr. Cadieux officially welcomed the Congolese Delegation to Canada and expressed to them the best wishes of the Canadian Government, a meeting was held with External Affairs Officers, under the Chairmanship of Mr. Cadieux. Mr. Kapongo, Leader of the Delegation, gave a resumé of the present situation in the Congo. The points which he developed were explained with different emphasis during the various calls of the visit. They are as follows:

- (a) Katanga is not the richest Province in the Congo but is the most exploited; indeed Kasai is richer in natural resources but unfortunately these resources have not so far been put into use,
- (b) The Central Government will do whatever possible to come to an agreement with the Katangese Government. Negotiations are given priority but if negotiations prove useless the Central Government would approve the use of force to bring Tshombe to the conference table. The Central Government supports the United Nations action in the Congo and is grateful for the help so far accorded to the Congo by the United Nations,
- (c) There is no Gizenga problem in the Congo. Unfortunately too much publicity is given in the Western press to Gizenga's role in both Orientale Province and in the Central Government. This tends to give Gizenga a stature that he does not actually have,

²⁵ La déclaration a été communiquée à la presse le samedi 16 décembre, mais il semble qu'aucun journal canadien d'importance ne l'ait publiée.

The statement was issued to the press on Saturday, December 16, but no major Canadian newspapers seem to have printed it.

(d) The Congo has been colonized by Belgium but the Congo has been educated by the Congolese. When the Belgians accorded independence to the Congo there were only 30 people with a university degree. Under the Belgians it was virtually impossible to receive any education beyond the secondary level. This was not due to a lack of Congolese talent but to an intentional Belgian policy of limiting the educational facilities. Although the Congolese could have much resentment against Belgium, they were willing to re-establish diplomatic relations with them and ask for their assistance in many fields.

4. In reply to questions Mr. Kapongo and Mr. Dericoyard stated that the Federal system in the Congo would probably be the best solution to the existing problems. The provincial governments would be given very broad powers, leaving to the federal government, Finance, external affairs, excise and customs duties, national defence, justice and a few other powers which they did not mention. The revenue of the Central Government would come from taxes imposed on the population and business of the federal capital with a 50% part of customs and excise duties. The other 50% going to the provinces in order to stimulate them to export.

5. Mr. Dericoyard also pointed out that the Congo could not afford to lose Mr. Tshombe because he was a competent leader and that since there was not an overflow of competent people in the Congo, Tshombe was much needed. Because of Mr. Kapongo's uncertain pronunciation a good part of what he said was lost.

6. The visit of the Parliament Buildings proved very instructive. The Congolese were quite impressed by the fact that pictures of members of both the Opposition and the Government were displayed on the walls. This, they mentioned, was real democracy, since members of the Opposition were not put in oblivion but could share their part of public recognition.

7. They particularly enjoyed the call on Mr. Sévigny. During the call Mr. Dericoyard (during the trip he was the dominant figure) was the main exponent of the Congo situation. He explained to Mr. Sévigny why the Congo could not become Communist. The land, he said, belongs to the people. The Congolese people are very traditionally minded and would not wish to change their ways of living to adopt a completely new system. He pointed out that the Congolese were very religious and that Catholicism and Communism obviously could not get along.

8. Mr. Dericoyard and the other members of the Delegation obviously made a very strong impression on Mr. Sévigny who vaguely promised that he would take the cause to the highest authorities and that he himself would visit the Congo. On his return he would be able to give to both the Canadian Government and the Canadian people a true and realistic picture of what is needed in the Congo.

9. The official luncheon given by the Canadian Government was presided over by Mr. Cadieux and was very lively.

10. A press conference was then held in the suite of the Congolese Delegation at the Chateau Laurier. The Congolese pointed out with very strong emphasis that the Western press had given a false picture of the Congo. Most of the journalists who come from the United States and Canada and who report on the situation cannot speak French and because of that they are all confused with the statements made by our leaders. They in turn give a wrong interpretation of events taking place in our country. There are some very difficult problems in the Congo, they would say, for instance, there is a province which wants to secede, but Canada has the same problem with Quebec. At that point, a journalist remarked that the comparison between Katanga and Quebec had some grounds since Katanga was the richest province of the Congo! The journalists did not seem to approve or appreciate the remarks of the Congolese and left the suite in a rather bad temper.

11. The call on Mr. Day was not very productive. As Mr. Day had explained to us before the meeting, there was not much the External Aid Office could offer to the Congo. Indeed this

year no money out of the \$300,000 given to French-speaking Africa would be given to the Congo and it is uncertain whether there would be any next year. However, the Congolese explained to Mr. Day what their needs were and in turn Mr. Day gave them some words of encouragement saying that the External Aid Office would give sympathetic consideration to their problems and needs.

12. The journey in the train to Montreal was fairly pleasant, the Congolese attracting a good deal of attention since it was quite a discovery for many passengers to hear black people speaking French.

13. The Montreal visit started with a call on the Rector of the University of Montreal. After the Congolese had explained their needs, M. Lussier pointed out that although there were quite a few French-speaking universities in Canada, not all of them could supply professors to the Congo. He mentioned, however, that the University of Montreal, together with Laval University and the University of Ottawa could probably spare a few professors to help the Congo. The visit at the University of Montreal was rather short since the Congolese Delegation had an appointment with business men belonging to the Chamber of Commerce of Montreal, before the luncheon offered by this group to the Congolese.

14. The luncheon was the last weekly one for this year and because the Chamber of Commerce of Montreal celebrates its 75th Anniversary and that CBC celebrates its 25th Anniversary, they had arranged for the popular morning programme *Chez Miville* to be made during the luncheon. The Congolese sat at the table of honour and were presented to the audience of about 350 people during the programme. They enjoyed the luncheon very much, for it gave them the opportunity of being present at the production of a radio programme.

15. The visit at CBC/IS which was supposed to last 1½ hours lasted 3½ hours. The cordial welcome extended to the Congolese by Mr. Marcotte and the team of CBC/IS was very engaging. A programme of half an hour was produced for re-transmission in the Congo. Each member of the Delegation was given a record of the programme and a pamphlet on CBC/IS.

16. Mr. Kapongo then appeared on the TV programme *Carrefour* which reviews the events of the day in Montreal. He was interviewed by Mr. Jean Hamelin who asked him questions related to the Congo.

17. Mr. Jean Marc Léger, President of *Le Comité Afrique-Canada* offered a private dinner to the Congolese. He had invited members of the Committee and also the two Congolese students in Montreal. The conversation as usual was very lively, Mr. Dericoyard making the most of it. Mr. Léger outlined briefly the aims of his Committee. He intends to have a meeting in February which would assemble in Montreal all the French-speaking African diplomats in Washington and New York. His Committee is also planning to open a welcome centre in Montreal for French-speaking African students and residents. As President of the *Comité Afrique-Canada* and as Journalist for *Le Devoir* he will keep in touch with Mr. Kasongo in New York.

18. The visit in Quebec started very early. The Congolese Delegation were shown Quebec City by Mr. Barnard, the Director of Public Relations of Laval University. They called on Mgr. Vachon, Rector of Laval University, who had just come back from a trip to French-speaking Africa which included the Congo. He announced that there would be an exchange of professors between Laval University and Lovanium University and that most probably Laval University would provide more professors than it would get in return.

19. A press conference was held in Mr. Barnard's office which, in contrast with that held in Ottawa, was very friendly. Luncheon was given by Laval University and was attended by the Deans of a few Faculties and some "Maristes" Fathers. The Congolese, having been educated by Maristes Fathers, were quite pleased to meet people of the same Order.

20. In the afternoon the Congolese paid a call on M. René Tremblay, Deputy Minister of Industry and Commerce. Mr. Tremblay expressed a special interest in knowing more about the possibilities of investments in the Congo, and asked the Congolese to send him all the legislation governing such investments.

21. After a brief meeting with Law students at Laval University the Congolese departed Quebec City to go back to New York via Montreal. They were obviously very pleased with their trip to Canada and they particularly enjoyed their stay in Quebec City. There, they would say, they found the Latin exuberance which they like and which they feel they also possess. It was quite a change after New York where, because of language difficulties, they lived a monastic life, being unable to talk to anyone.

22. Some of Mr. Dericoyard's remarks made in the course of the many conversations I had with him might be worth recording. Mr. Dericoyard, as I mentioned above, was the strong figure in the Delegation. He told me that if, when he goes back to the Congo after the UN Session, the Katanga problem has not yet been settled, he would try to become the Minister of Defence and then, according to him, the problem would soon be a thing of the past. He would be a candidate at the 1964 Presidential election.

23. Their visit was, I think, very successful. The Congolese had come to Canada with very limited knowledge of our country and left it with a spirit of gratitude for the cordial welcome which had been extended to them.

J.S. ROY

54.

DEA/6386-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], December 27, 1961

CONGO

This is to confirm that on the evening of December 23 a telegram arrived from U Thant addressed to the Prime Minister in the following terms:

“The central government of the Republic of the Congo, Leopoldville, has appealed urgently for assistance to train its army and as first step has asked the United Nations to establish an Officers' Training School. You no doubt are aware of the immediate need to train Congolese officers.

I therefore sincerely hope that the Government of Canada would make available fifteen French-speaking officers to provide the instructor establishment for an Officers' Training School for the Congolese Army.”

2. On the morning of December 24, I gave this message to the Prime Minister and subsequently to Messrs. Ignatieff and Campbell. The Prime Minister's instructions were that the Departments concerned should prepare a paper which could be discussed on Thursday, December 28.

H.B. R[OBINSON]

55.

J.G.D./01/XII/F/215

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

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

[Ottawa], December 27, 1961

CONGO – REQUEST FOR MILITARY TRAINING ASSISTANCE

I understand that a direct appeal to you has been made by the Acting Secretary-General of the United Nations for assistance in training the Congolese National Army, specifically asking that fifteen Canadian French-speaking officers be provided as instructors for an officers' training school.

An indication that the United Nations had in mind setting up such a school was given last September when twelve member governments were asked as to what assistance they might be able to provide for such a project. Because of the fighting which broke out shortly afterwards in Katanga, and which opened up difficult issues regarding the role of the U.N., no response was forthcoming from any of the governments approached.

The following considerations are relevant:

(1) U Thant has made it his goal to wind up the Congo operation in 1962. This can only be done if the Congolese Army is in a position to maintain law and order. The first step toward this goal is to train suitable officers for the Congolese Army to enable it to become a reliable and disciplined force. By responding affirmatively to U Thant's request we should be advancing the date of termination of Canada's military commitment.

(2) A positive response would be consistent with our policy of support for the U.N. operation in the Congo and our policy to do what we can to enable the Congolese Government progressively to assume responsibility for its own affairs.

(3) Canada has provided Canadian officers to Ghana and will probably do the same for Nigeria. A favourable reply to U Thant would give further evidence that our assistance to Africa is not exclusively to English-speaking countries.

(4) Canada represents one of the very few acceptable sources of French-speaking instructors. Canadian officers would represent an important factor of Western influence in the Congolese Army.

H.C. G[REEN]

56.

J.G.D./01/XII/F/215

*Note du président du Comité des chefs d'État-major
pour le premier ministre*

*Memorandum from Chairman, Chiefs of Staff,
to Prime Minister*

SECRET

Ottawa, December 27, 1961

CANADIAN ASSISTANCE TO ESTABLISH AN
OFFICERS' TRAINING SCHOOL IN THE CONGO

1. It is understood that you have received a request from the Secretary-General of the United Nations for Canada to provide fifteen French-speaking officer instructors to be the staff of an officer training school to train Congolese national officers.

2. We have in the past received indications that some plan for training the Congolese national forces was being considered by the UN. A General Iyassu, who we understand is an Ethiopian, has been in the Congo for some time as the designated head of a UN training mission. General Iyassu, in discussing his problems with the Canadian Representative in the Congo, has indicated that he would like Canadian help in the form of a lieutenant-colonel to be adviser or deputy to the Congolese Commandant of a training school. He also indicated a requirement for four majors or captains to be general military instructors and four sergeants familiar with clerical duties: all these personnel to be French-speaking. In addition he has indicated a requirement for a French-speaking colonel to fill the position of assistant adviser to the Congolese Minister of Defence and another French-speaking colonel to be adviser to the Congolese General Staff. Whether or not the proposals set out by General Iyassu bear any relation to the request you have now received is not known.

3. From the point of view of this Department, the provision of additional French-speaking officers for the Congo will be most difficult. We already have to provide thirty-eight Army officers to the Congo, the majority of whom must be French-speaking; and we also have a requirement for French-speaking officers for the International Truce Commission in Indo-China and for certain of our commitments for NATO staff officers. As living conditions in the Congo are difficult, the medical staff of the Department consider that a length of tour of six months in the Congo is all that can be expected if reasonable safeguards are to be maintained. Additionally we cannot expect our limited number of French-speaking personnel to be rotated to the Congo at frequent intervals. The result is that for every French-speaking soldier in the Congo we should have a back-up of about four or five for proper rotation.

4. Because of the uncertainties of the Congo situation and the day-to-day shifts that are occurring there, it is the view of this Department that we should not undertake this commitment until much more is known of what the United Nations intends in any training scheme. We would not wish to become involved in the machinations of the Congolese Army and we would not wish to be put in the position of supplying white officers for the Congolese national troops. Unless the United Nations can give some firm assurance that this would not happen, it is considered that we should not have any part in any such proposal.

5. It should be pointed out that this Department considers that the problem of training the Congolese national army is not instruction in arms but is one of instilling the basic military disciplines that will enable the Congolese Army to be welded into an effective instrument of government policy. With the background of the personnel there, this is going to be a long and difficult operation. It is not one that can be achieved overnight and Canadian involvement, once undertaken, would probably continue for a very long time.

6. It is recommended therefore that we do not make any immediate commitment in response to this request but that we explore further what the United Nations are attempting to do in this matter so that a sound judgment can be arrived at in the light of the difficulties and unknown factors outlined above.

7. This paper has not been cleared with the Minister of National Defence but it does represent his views as discussed with him prior to his departure for Western Canada.

F.R. MILLER
Air Chief Marshal

57.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], December 28, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Agriculture (Mr. Alvin Hamilton),
The Minister of Defence Production (Mr. O'Hurley),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Secretary of State and President of the Privy Council (Mr. Dorion),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
The Minister without Portfolio (Mr. Halpenny),
The Minister of Mines and Technical Surveys (Mr. Flynn).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

U.N. REQUEST FOR CANADIAN INSTRUCTORS
FOR OFFICERS' TRAINING SCHOOL IN THE CONGO

11. *The Secretary of State for External Affairs* said that the Acting Secretary-General of the United Nations had requested that Canada provide 15 French-speaking officer instructors to be the staff of an officers' training school to train Congolese national officers.

U Thant was aiming to conclude the U.N.'s operations in the Congo during 1962, and officer training was a necessary first step toward the achievement of this objective. This would also help to bring an end to Canada's military commitment in this area. Canada had agreed to send about 30 military personnel to Ghana and would probably send others to Nigeria, and such Canadian assistance should not be confined to the English-speaking countries. Few

countries other than Canada were in a position to offer acceptable French-speaking personnel to help the Congo.

12. *The Associate Minister of National Defence* said that it would be difficult for the Canadian Army to meet this request. If the government decided that the officers should be supplied, it should be clearly specified that they would be on loan for a period of perhaps 6 or 12 months. Climatic conditions in the Congo were hard for Canadians to bear for longer periods.

13. *The Prime Minister* said that he had received a report on the subject from the Chairman of the Chiefs of Staff, stating that the provision of these officers would be most difficult. Canada was already providing 38 Army officers to the Congo, and also required French-speaking officers for the International Truce Commission in Indo-China and for NATO staff. Unless the period of posting to the Congo was relatively short, a back-up of four or five French-speaking soldiers would be needed for every soldier in the Congo for proper rotation. Air Chief Marshall Miller suggested that the commitment should not be undertaken until much more was known of the U.N. intentions for the training scheme. Canada should not in any circumstances be put in the position of supplying white officers for Congolese national troops.

14. *The Cabinet*,

(a) noted a request from the Secretary-General of the United Nations asking that Canada provide 15 French-speaking officer instructors as the staff of an officers' training school to train Congolese national officers; and

(b) agreed to give further consideration to the request at another meeting of the Cabinet when the Minister of National Defence was present.

...

58.

DEA/6386-C-40

*Note de la Direction des Nations Unies
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 3, 1962

CANADIAN MILITARY ASSISTANCE TO THE UNITED NATIONS IN THE CONGO

On January 2, Brigadier Rikhye telephoned me from New York about two United Nations requests for Canadian military assistance to the operation in the Congo. Rikhye said that the Secretary-General had asked him to make the call because U Thant was very concerned about the two matters.

2. The first concerned the replacement for A/C Morrison. Rikhye said that Morrison's contribution to ONUC had been outstanding and that, without him, the United Nations air transport would have been unable to function, especially during the very difficult days in December when air transportation was essential to the purpose of maintaining the United Nations military forces in Katanga. Rikhye emphasized that the United Nations command had become accustomed to dealing with RCAF officers on air matters and that the smoothest co-operation had been possible because the RCAF officers "understood the United Nations." It was most desirable at this time to keep these working arrangements intact because of the delicate and difficult phase through which the Congo operation was passing.

3. Rikhye said that it might be possible to find an air commander in some other country but that the Secretary-General and other senior United Nations officials were very reluctant to look

elsewhere at this time. For this reason, the United Nations had been disturbed by the negative Canadian reply to the request for a replacement for Morrison. The Secretary-General and his advisers believed that they should make a further effort to persuade the Canadian authorities to reconsider. Accordingly, the Secretary-General was contemplating a direct appeal to the Prime Minister. Presumably this may be expected in the near future.

4. United Nations officials were also worried about the question of establishing a training school in the Congo for the ANC. Prime Minister Adoula had been pressing very hard for the establishment of this officers school and had set a deadline for January 15. His threat was that if the United Nations did not act in this matter within the next two weeks, he would look elsewhere, because it was essential to provide training facilities for ANC officers.

5. Rikhye re-emphasized that the United Nations was prepared to employ recently-retired officers and that their terms of service should be satisfactory. The civilian equivalent in the United Nations would be a professional officers, grade 3 or 4. While serving in the Congo, the instructors would receive a liberal per diem. Rikhye expressed the hope that there would be a favourable Canadian reply to the United Nations request for instructors.

6. I undertook to inform the appropriate officers of the Department about Rikhye's enquiry. Yesterday, I spoke to Mr. Campbell and to Mr. Robinson.

G.S. MURRAY

59.

DEA/6386-C-40

*Le secrétaire général par intérim des Nations Unies
au premier ministre
Acting Secretary-General of the United Nations
to Prime Minister*

TELEGRAM RNA-368

New York, January 3, 1962

Air transport plays a vital role in the United Nations operations in the Congo. Since September 1961, three jet fighter units have also been added to ONUC for defensive purposes. The Air Commodore in charge of air units must be an officer with sufficient operational and technical experience to direct a large air transport fleet of aeroplanes and helicopters, jet fighters and commercial aircraft under charter. Since the start of the United Nations operations, we have had the benefit of successive Royal Canadian Air Force officers in command of ONUC air units, each of whom has made a valuable contribution in the organization and employment of these units.

The present situation in the Congo continues to demand highly efficient air units in support of the United Nations force. I most earnestly appeal to you, therefore, to find it possible to replace Air Commander Morrison, who has rendered outstanding service in that position, with an RCAF officer of similar qualities.

U THANT

60.

DEA/6386-C-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], January 8, 1962

CONGO – REPLACEMENT FOR A/C MORRISON AS U.N. AIR COMMANDER

I understand you have asked for the comments of this Department covering the urgent request sent to you by the Acting Secretary-General of the United Nations that Canada should provide a replacement for Air Commodore Morrison as Air Commander for the U.N. operations in the Congo.

2. This matter has been the subject of correspondence between the Ministers of External Affairs and National Defence since the beginning of December when the first U.N. request to extend Morrison's tour of duty or to replace him with a Canadian of equivalent qualifications was first raised. National Defence, for reasons which no doubt they will be putting to you, have been unable to accede to the request of the U.N. As a result the U.N. was informed on December 28 that A/C Morrison's duties in the Congo would have to terminate not later than January 15 and that Canada could no longer fulfil this U.N. requirement. U Thant has now decided to appeal directly to you to reconsider that decision.

3. The reasons which led the Minister to recommend a favourable reply to the U.N. were as follows:

(a) The Air Commander was in a favourable position to watch over the safety and welfare of Canadian troops serving in the Congo in widely scattered locations. Not only would he quickly learn about trouble when it occurred, but he would be in a key position to notify the Canadian authorities in Ottawa and take appropriate action on the spot to evacuate Canadian personnel or otherwise assist them. In this connection, it could also be noted that A/C Morrison had played an important role in securing the release of the RCAF Yukon aircraft which was seized by Congolese troops at Leopoldville airport last November.

(b) The U.N. might find it very difficult to recruit elsewhere a suitably qualified replacement who could be politically acceptable, especially since this replacement would have to be made at very short notice; Brigadier Rikhye mentioned that the United Nations had established very satisfactory arrangements along Canadian lines for its air transport in the Congo and were anxious to continue this working cooperation.

(c) Both the U.N. and the U.S.A. Government (see Washington letter No. 1700 attached)† have stated how highly satisfied they were with A/C Morrison's performance in the Congo. There was little doubt that the U.N. were relying on Canada to keep him or to appoint somebody of like ability, to command the U.N. air operations which are playing such a vital role in the Congo.

(d) It was obvious that a decision would have to be taken in the light of the current developments in Katanga. A/C Morrison's return to Canada at this time could be interpreted as an expression of the Canadian Government's disapproval of the U.N.'s current operations in Katanga and as at variance with your statement on December 14.

4. While the comments given to the Minister of National Defence by the Secretary of State for External Affairs were prepared at the time when the situation in Katanga was at its most serious, we believe that they are still valid. The present apparent lull in that area may be temporary and peace could be disturbed by any incident between U.N. and Katangese troops.

5. In the light of the foregoing and of the Acting Secretary-General's telegram to you, you may wish to consider whether a temporary extension of Morrison's tour of duty for say three months might be advisable to give all concerned further time in which to review the situation.

N.A. R[OBERTSON]

61.

DEA/6386-C-40

*Note du premier ministre
pour l'adjoint spécial au secrétaire d'État aux Affaires extérieures*
*Memorandum from Prime Minister
to Special Assistant to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], January 10, 1962

You handed me the statement regarding the replacement of A/C Morrison as Air Commander for the U.N. operations in the Congo.

After considering all the circumstances, Mr. Harkness and I have decided that the proper course is to extend A/C Morrison's term of service by a further 3 months at which time there will be no renewal and no substitution of any other RCAF officer to take his place.²⁶

J.G. D[IEFENBAKER]

62.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], January 26, 1962

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),

²⁶ Note marginale :/Marginal note:

SSEA informed and satisfied with result. R. C[ampbell] 11/1

The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister of Mines and Technical Surveys (Mr. Flynn).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

...
 MILITARY TRAINING ASSISTANCE FOR THE CONGO
 (Previous reference December 28, 1961)

10. *The Secretary of State for External Affairs* again reported that the Acting Secretary-General of the United Nations was anxious to withdraw U.N. troops from the Congo this coming summer. In order to do this the Congolese forces would have to be better trained to take over responsibility. The U.N. accordingly needed a number of French-speaking officers to direct and carry on the training of military officers for the Congo. A request had been made for 15 such officers as Canada was one of the few acceptable sources for French-speaking instructors. This was a compliment to Canada. Such a contribution would boost Canada's prestige in the U.N. It would similarly be a matter of pride for Quebec to have such an important role.

11. *The Minister of National Defence* pointed out that Canada had already supplied the Congo with some 38 French-speaking officers. Canadian forces were spread all over the world at present and the army was now too short-handed to undertake this additional task. Canadian officers had been requested in Nigeria and Ghana in Africa. Service in the African climate required fairly quick rotation. Rotation on a 15 months basis would be too long and would raise the question of sending over dependents. Reports indicated that this would be most inadvisable in the Congo. On the other hand, rotation on a 6 months basis did not provide sufficient stability and continuity. Either programme called for a substantial number of trained officers. Moreover, Air Commodore Morrison, who was in Canada on leave from the Congo, estimated that the training programme proposed might last any where from four to ten years. Furthermore, a non-commissioned officers course seemed to be what was required at this stage. General Iyassu, who initiated the scheme, although highly intelligent, had had no military training and was not considered a military expert.

He recommended that the request should not be met.

Explanatory memoranda had been circulated, (Memoranda, Secretary of State for External Affairs, Jan. 17 – Cab. Doc. 35-62, Minister of National Defence, Jan. 23 – Cab. Doc. 39-62).†

12. *During the discussion* some said that internal conflicts still raged in the Congo, and that, until the various factions had come to some settlement little could be expected from the training of a Congolese army. What was most needed was the continuation of efforts by U.N. forces to bring about an armistice among the warring elements. It would be unwise to expose Canadian officers at a time when they could not be expected to produce useful results. Were the problem of Katanga to be settled, the picture would be different. At present the Congo was a very troubled place.

13. *The Cabinet* decided that Canadian army officers should not be sent to staff an Officers Training School for the Congolese army, as had been requested by the Acting Secretary-General of the United Nations.

...

SECTION B

DROIT DE LA MER

LAW OF THE SEA

63.

DEA/10600-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 27

London, January 3, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 18 Jan 3.†

Repeat for Information: DND Ottawa, JAG, DNPO from Ottawa.

LAW OF THE SEA

Following is text of draft letter of instructions as tentatively agreed upon by Rogers and Simpson:²⁷ Since the joint Canada-U.S. "six plus six" proposal failed by the narrow margin of one vote to gain the required two-thirds majority at the second Geneva Conference on the Law of the Sea, (a table of the voting is attached),† consideration has been given in various capitals to the courses which might offer the best way out of the impasse in which the large number of supporters of the joint proposal have been placed. UK and Canadian governments have discussed the feasibility of opening for signature a multilateral convention based on the joint Canada-USA proposal.

2. For your information, USA declined last summer to participate in a confidential survey, the purpose of which would have been to determine the extent of support for such a multilateral convention. Consequently UK and Canadian governments have decided themselves to undertake a joint preliminary confidential survey restricted to certain key countries (which have been selected on the basis of likelihood of support, geographical distribution and importance of shipping or fishing interests), the results of which, it is hoped, can be used as a basis (a) for determining the likelihood of more general support for a multilateral convention, and (b) for persuading USA to join a wider survey (it is considered that American support is probably vital to the eventual successful conclusion of a multilateral convention.)

3. *Plan of Action.* Attached as Annex "A"† is a list of the eighteen countries which will be canvassed in the first (or preliminary) survey. You are requested to make representations at the highest suitable level to the country to which you are accredited to enlist its support for a multilateral convention based on Canada-USA "six plus six" formula put forth at the 1960 Geneva Conference. As appears from Annex "A", certain countries will be approached by both UK and Canada, and it will be necessary in such cases for the missions of our two countries to consult with one another so as to insure that these approaches are coordinated. Where dual approaches are intended the country named first in the annex will make the initial approach and the country named second will make the follow-up approach.

4. The government of the country being approached should be informed that it is intended that the operation shall be conducted in three stages:

²⁷ Voir/See Volume 27, document 62.

(1) a preliminary confidential survey restricted to certain key countries, which, if the results are encouraging, will be followed by (2) a wider, more complete survey of countries, which, if the results confirm and augment those of the preliminary survey, will be followed by (3) the opening for signature of a multilateral convention.

5. It is intended that the following countries should be informed about the intentions of UK and Canada to conduct this preliminary survey

(a) *USA*: USA will be approached both before and after the first stage. Canadian Embassy will first approach USA authorities in Washington to inform them of the decision to conduct the preliminary survey and invite them to instruct their missions in the eighteen countries concerned to express at least a benevolent interest in the project. Supporting action will be taken by UK Embassy there. The active support of USA for the project will not repeat not be requested until the conclusion of the first phase.

(b) *France and Belgium*: These countries may not repeat not yet be ready to support the proposal. However, they would be bound to learn about the proposed survey in view of their participation in the forthcoming North Sea Conferences to be held at the Hague. For reasons of general policy, therefore, UK will inform them of the project in broad terms.

(c) *Argentina and Brazil*: It has been agreed that Canada should decide, after raising the matter with American officials, whether or not repeat not to inform Argentina and Brazil in general terms that consideration is being given to the conclusion of a multilateral convention. It is considered that these two countries should probably be informed unless USA should express objections.

6. *Possible Doubts Concerning the Survey*. It should be stressed that the existence and the results of this preliminary survey will be kept confidential. Should anyone express the fear that an unsuccessful preliminary survey may be “counter productive” you should explain that it is recognized that if the initial survey discloses that the majority of the shipping and fishing countries do not repeat not favour a multilateral convention then the idea is dead. The initial survey will not repeat not, however, have worsened the situation since its results will be kept confidential except amongst those countries approached. If it should transpire that support for Geneva formula had waned since the second conference to a point where even perhaps with American assistance a convention would attract so few signatories that it would be ineffective, no repeat no country would gain by remaining in ignorance of this state of affairs (if it exists) and there would, in fact, be advantages in learning of it so that attention might be directed to other solutions.

7. *Definition and Scope of Canada-USA Formula*. The “Geneva Formula” comprises three main elements (a) a territorial sea not repeat not exceeding six miles (b) an exclusive fishing zone not repeat not exceeding twelve miles (with in certain cases a ten-year phasing out period in the outer six miles) and (c) a procedure for examining claims to preferential fishing rights outside that zone (Brazilian amendment).

8. In referring to the “Geneva Formula”, however, the countries to be approached in the first phase of the survey should be asked only if they would in principle favour the conclusion of a multilateral convention “based on Geneva Formula.” No repeat no reference should be made, if it can be avoided, to the third element of the formula ((c) above). On the other hand nothing should be done or said which would prejudice one way or the other the possible retention or elimination of the “Brazilian amendment.” If the question is raised, any views in favour or against this provision expressed by the countries being approached should be reported immediately.

9. *Arguments to Use*

(a) The following general observations should be borne in mind in making these representations.

The initiative is in no repeat no sense a cold war project or an attempt to avenge the “diplomatic defeat” at Geneva. On the contrary, it is motivated by a desire to further the orderly development of international law, and in particular to complete the codification of the Law of the Sea so nearly achieved at 1960 Geneva Conference. (One of the most telling arguments with some of the older and more conservative countries, who might not repeat not otherwise be favourably disposed towards the convention, is that of the desirability of achieving uniformity and certainty of international law, and this should not repeat not only be stressed in the initial approaches, but should, where appropriate, be followed up with the legal advisors to the foreign ministers in question.)

10. The general desirability of reaching agreement on the two important questions left unanswered (i.e. the breadth of the territorial sea and fishery limits) is underlined by the present uncertainty and the likelihood of a continued drift towards chaos in the Law of the Sea. The sooner therefore that a multilateral convention can be concluded the sooner this disturbing drift can be stopped. It is hoped that if a multilateral convention is concluded in time, enough countries will accede so as to obtain substantially the same purpose as would have been achieved at Geneva. The potential influence and importance from a shipping and fishing point of view of the countries acceding to such a convention is considered to be as important as the numbers concerned.

(a) Support for a multilateral convention at this stage, rather than later, would have a good chance of building on the large measure of agreement reached at the conference and avoiding the loss of the effort put into it.

(b) The existence of an agreement would help to prevent disputes arising out of incidents on the seas and would encourage countries with outstanding disputes to arrive at an early solution.

(c) The movement to a twelve mile territorial sea would be slowed down and countries might be restrained from making more extravagant claims. Maximum freedom of the seas would thereby be ensured for security, navigational and commercial purposes.

(d) It would provide a convention to which new countries could adhere when they gain their independence.

(e) The convention, especially as it will number among its signatories the chief maritime and air transport nations of the world, would provide an important source of law from which a universal rule of law might gradually evolve.

(f) The conclusion of a multilateral convention on the remaining questions in issue might further encourage states to ratify the conventions adopted by the 1958 Conference.

11. There may be other advantages of particular attraction to the country to which you are accredited, or, on the other hand, disadvantages peculiar to that country and you should draw on aide mémoires you may have presented before the Second Conference. Similarly, some of the points listed above might be dropped (or varied) if you believe that it would be inadvisable to use them in their present form or at all.

12. *Provisional Assessment of the Attitude of States.* Attached for your background information as Annex “B”† is a very provisional assessment of the probable attitude of the 107 members (including Mauritania) of UN and Specialized Agencies towards the idea of a multilateral convention.

13. It may be that certain other countries will be added to the original eighteen being canvassed but for the time being the list is limited to that number.

14. *Preferential Rights Proviso.* For your own information, the two surveying countries intend to give further consideration, in the light of the replies received, as to whether or not repeat not the balance of advantage would lie in retaining or discarding the clause on preferential rights (Brazilian amendment). There would appear at this stage to be two possible

points of view on this question: on the one hand most Western European countries and probably also USA would wish to see the provision eliminated, while on the other hand a number of Latin American countries might not repeat not be prepared to support a proposal which did not repeat not contain the preferential rights proviso. Consequently Latin American countries have not repeat not been included in the list of countries to be approached in the first (or preliminary) survey.

15. You should treat this matter as important and urgent and should take the earliest opportunity, before making an approach, to discuss it fully with your UK-(Canadian) colleague and to ensure that your USA colleague will take the necessary benevolent attitude.

[R.L.] ROGERS

64.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], January 4, 1961

LAW OF THE SEA – MULTILATERAL CONVENTION

Canada House has been informed by United Kingdom officials that their Ministers had, in taking the decision approving the proposed preliminary confidential survey, contemplated the possibility that Norway would not take part in it and “had decided to go ahead with Canada in any case.” (Telegram number 18 of January 3 from London, a copy of which is attached)†

Agreement has also been reached in London at the official level on the text of the draft letter of instructions to be sent to the Canadian and United Kingdom missions in the eighteen countries which will be canvassed (telegrams numbers 27 of January 3 and 31 of today’s date, † copies of which are also attached). United Kingdom approval at the Ministerial level has not yet been obtained to the amended text (which is, even after the further amendments suggested in telegram number 31, almost word for word as contained in our telegram number 344 of December [29],²⁸ a copy of which is also attached). The only important amendments suggested are those instructing our respective missions to ensure the benevolent attitude of their United States colleagues before making approaches to the governments in question and informing them of the kind of replies to give to press inquiries. The only point of substance which has been queried is the statement that “the convention would provide an important source of law,” which we think is correct, but which has been referred to the Foreign Office Legal Department for an opinion, and may therefore have to be altered.

Apart from the text, other United Kingdom suggestions which require approval are that:

- (a) Canada rather than the United Kingdom approach Sweden, and possibly Denmark as well;
- (b) Canada inform the United States authorities, as soon as agreement on the proposed instructions has been reached, of the intention to conduct the survey;
- (c) Canada inform the United Kingdom Government should we decide to notify Argentina and Brazil of the survey;
- (d) the missions concerned be instructed not to approach the governments in question until their instructions to do so are confirmed by telegram; and

²⁸ Voir/See Volume 27, document 62.

(e) the “passive” mission, in cases where a dual approach is not envisaged, be informed fully.²⁹

In addition to these suggestions it would, I think, be advisable to notify the Norwegians at the same time (and for the same reason) as we inform the U.S.A., of the commencement of the survey.

As to the phrase queried by the British, it would be preferable to alter the wording rather than incur any delay on its account.

I have therefore drafted for your signature, if you agree, a telegram to London confirming approval of the amendments to the draft letter of instructions and agreement to the suggestions which have been made and incorporating the two points last mentioned above.³⁰

N.A. R[OBERTSON]

65.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], January 10, 1961

MULTILATERAL CONVENTION ON BREADTH OF TERRITORIAL
SEA AND CONTIGUOUS ZONE – PRELIMINARY SURVEY

Although we had understood that the United Kingdom officials had agreed to the text of the instructions to be sent to our respective missions in the eighteen countries being canvassed, further amendments have now been suggested by them, (London's telegram 77 of January 9† a copy of which is attached). If we understand paragraph five of the telegram correctly, some further alterations may still be suggested, after which, if we agree to them, it will still be necessary to obtain United Kingdom Ministerial approval. In the meantime the changes which have been suggested thus far appear reasonable and they have been incorporated in our working paper on the draft instructions, an up-to-date copy of which is attached for your information.†

2. A more serious question, also raised in the same telegram, (paragraph 4), is the question of the elimination of Denmark and Sweden from the preliminary survey. The reduction of the numbers being canvassed to sixteen might possibly raise doubts in the minds of the United States authorities and others, as to whether such a small survey is really representative; moreover, the absence of Scandinavian countries from the list might, in the light of their known interest in the Law of the Sea, create further doubts as to the likelihood of more general support for a multilateral convention. On the other hand it would be extremely damaging for us to approach these two countries with negative results.

²⁹ Note marginale :/Marginal note:
Approved by SSEA 5/1. R. C[ampbell]

³⁰ Notes marginales :/Marginal notes:
OK. H.C. G[reen]
Signed by SSEA 5/1. R. [Campbell]
Sent 5/1. R. [Campbell]

3. There would seem to be three possibilities open to us:

(a) to agree to the elimination of Denmark and Sweden from the survey, with no substitution of other countries in their place, (the simplest way, probably of getting the survey moving quickly);

(b) to attempt to find two other countries to substitute in place of the two countries eliminated, (a rather difficult task, and one that may entail further delays through the consequent consultations with United Kingdom authorities); and

(c) to go ahead with the survey as planned, including the two countries in question, (a rather dangerous procedure in the light of the dependence of the attitude of the two countries in question on that of Norway, and the probable difficulty in the case of Sweden of the job of persuasion required).

4. As you know, we have suggested that Norway be informed as soon as the survey is commenced and that Norway be requested to adopt a benevolent attitude towards the survey and to so inform its missions, but to do nothing further; these suggestions have not yet however been passed on to the United Kingdom authorities (paragraph 5 of London's telegram 77). Since the attitudes of the Swedes and the Danes might well turn on the kind of comment made to them by the Norwegians, it would seem that before deciding on one of the three courses of action mentioned it is essential to know the extent to which the Norwegians would be prepared to give us unofficial behind-the-scenes support vis-à-vis Sweden and Denmark, should Norway receive enquiries from these countries. The domestic political reasons which influenced Norway against participating in the survey would not, presumably, influence the attitude of Sweden and Denmark, nor should they make the Norwegians reluctant to reveal to the Swedes and the Danes their active interest in the project and their hopes for its success. One of the reasons behind the Norwegian reluctance to participate is their fear that the survey would not be completed by late February, when they may feel compelled to take unilateral action in their parliament, and the sooner therefore that we get the survey underway the more likelihood there is that we can complete it in time to bring the Norwegians in.

5. I have therefore drafted for your signature, if you agree, a telegram to London outlining our thinking and requesting United Kingdom approval to our approaching the Norwegians immediately to ask their views, (in the light of their close association with this project,) as to the advisability of including Denmark and Sweden in the survey.³¹

N.A. R[OBERTSON]

66.

DEA/9456-RW-11-40

*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 L-15

Ottawa, January 18, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel. 180 of Jan. 17.†

Repeat for Information: DND (JAG & DNPO).

³¹ Notes marginales :/Marginal notes:
Signed by SSEA 10/1. R. C[ampbell]
Sent 10/1 20:00 L-7 of Jan. 10. 61. R. C[ampbell]

LAW OF THE SEA

We concur in your suggestion that you approach Lord Home and urge on him the advisability of a direct approach to Denmark and Sweden at this time. In so doing you may wish to make use of the arguments outlined in paragraph 3 of our telegram L-7 of January 10† and suggest that the Norwegians be asked to adopt a benevolent attitude towards the survey and so inform their missions (and also the Danes and the Swedes) in much the same way as the U.S.A. will be asked to do. Should he express doubts however we are agreeable to beginning the preliminary survey without Sweden and Denmark, rather than incur further delays, and bringing them in at a later stage, if possible, through Norway. (This could be done either as suggested in our telegram L-7 of January 10, by asking the Norwegians for their unofficial support with Sweden and Denmark or, as suggested by you, if the survey goes quickly enough, by using the initial results to bring in Norway and therefore Sweden and Denmark.)

2. In order to cut down on delays and telegraphic costs we have already sent off the agreed instruction letters to all our missions concerned, but have cautioned them (our telegrams L-9† and L-10 of Jan. 12†) against taking any action until instructed to do so. There would seem to be no reason why you should not inform the British of our action and suggest that they do likewise.

67.

DEA/9456-RW-11-40

*Note de la Direction juridique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

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

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 20, 1961

Reference: Our memorandum of January 16.

LETTER OF INSTRUCTIONS ON MULTILATERAL CONVENTION

Mr. Nutt telephoned from Washington yesterday afternoon to discuss certain points which he did not think the letter (copy attached) covered.³² He said that he would not be able to raise these questions by telegram before Monday and wondered if there was any urgency about clearing them up sooner than that. I explained that the text of the letter had been agreed to by the British and ourselves after considerable discussion and that any changes at this stage might delay operations considerably. Mr. Nutt therefore mentioned the points he had in mind, (in guarded language because of the means of communication used,) which were as follows:

(1) He wanted to know if he were free to discuss the project at this stage with his U.K. colleague.

I said that this was not yet possible since we did not know whether the British missions had been informed, although we had suggested this week that this be done.

(2) He asked that our people in Washington be kept informed about the timing of our approaches.

³² Note sur le bordereau d'envoi joint :/Note on attached routing slip:

Beesley and I decided that the time had come when we just had to bring Washington into the picture although we realized that this might open the flood-gates of advice and counsel by telegram. Fortunately the telephone conversation forestalled this and the points raised by Jim [Nutt] will – as they would have been – be borne in mind when (and if) Washington is asked to move. There is a possibility that Jim – not knowing Beesley – might phone or write you. Hence the memo attached. G.C. Langille

I explained that we hoped that the approaches could be co-ordinated as much as possible so that none of the people concerned would hear of it first from the wrong sources, but that in any event we would keep him informed as to timing as requested.³³

(3) With respect to paragraphs 4 and 5(a) of the letter it was not clear to him whether or not it was our intention to inform the United States and/or the other countries concerned of the purpose of the first phase (i.e. to bring in the United States). He emphasized that if we intended to inform any other countries then we should also inform the United States.

I said that I did not know whether or not this point had been already discussed and decided on. My view was that there did not seem to be any objection to informing the United States or the other countries, and that it might be impossible to avoid doing so, but that this point would have to be verified. (I have since discussed this question with Mr. Langille and he feels that it would be undesirable to inform anyone on this point³⁴ – the purpose of this survey being to decide whether the larger survey should be undertaken.) You may wish to consider this question so that it can be covered in the instruction telegram to Washington and, if you consider it necessary, in those to our other missions concerned in the survey.

(4) With respect to paragraph 7 of our instruction letter, Mr. Nutt wanted to know which proposal we had in mind, “the original agreed one or the second one which had not got through.” His view was that we should be non-committal on this point.

I said that I did not know once again whether or not this point had been specifically decided on and while I agreed with him that we should be non-committal, this point also would have to be verified. (Mr. Langille agrees that we should be non-committal but considers that if eventually we have a choice the first agreed proposal is the preferable one.)³⁵ You may wish to consider this point also so that it can be covered in the instruction telegram to Washington and our other missions.³⁶

J.A. BEESLEY

[PIÈCE JOINTE/ENCLOSURE]

Projet d'une lettre du sous-secrétaire d'État aux Affaires extérieures
Draft Letter from Under-Secretary of State for External Affairs

SECRET. CANADIAN EYES ONLY.

Ottawa, [n.d.]

MULTILATERAL CONVENTION ON BREADTH
 OF TERRITORIAL SEA AND CONTIGUOUS ZONE

Since the joint Canada-United States “six-plus-six” proposal failed by the narrow margin of one vote to gain the required two-thirds majority at the second Geneva Conference on the Law of the Sea, (a table of the voting is attached), † consideration has been given in various capitals

³³ Note marginale :/Marginal note:
OK. M. C[adieux]

³⁴ Note marginale :/Marginal note:
I agree. [Marcel Cadieux]

³⁵ Note marginale :/Marginal note:
Perhaps. [Marcel Cadieux]

³⁶ Note marginale :/Marginal note:

It remains to be seen whether we can get any Latin American support if we drop the special situations arrangement. I am inclined to think that we must leave it: the U.K. officials disagree hence the decision to leave the point open & to seek reactions. [Marcel Cadieux]

to the courses which might offer the best way out of the impasse. This much is known to the world press and public.

2. For your information the United Kingdom and Canadian Governments have discussed the feasibility of opening for signature a multilateral convention based on the joint Canada-United States proposal. The United States declined last summer to participate in a confidential survey, the purpose of which would have been to determine the extent of support for such a multilateral convention. Consequently the United Kingdom and Canadian Governments have decided themselves to undertake a joint preliminary confidential survey restricted to certain key countries (which have been selected on the basis of likelihood of support, geographical distribution and importance of shipping or fishing interests), the results of which, it is hoped, can be used as a basis (a) for determining the likelihood of more general support for a multilateral convention, and (b) for persuading the United States to join a wider survey (It is considered that American support is probably vital to the eventual successful conclusion of a multilateral convention).

3. *Plan of Action*

Attached as Annex "A"† is a list of the eighteen countries which will be canvassed in the first (or preliminary) survey. You are requested to make representations at the highest suitable level to the country to which you are accredited to enlist its support for a multilateral convention based on the Canada-United States "six-plus-six" formula put forth at the 1960 Geneva Conference. As appears from Annex "A", certain countries will be approached by both the United Kingdom and Canada, and it will be necessary in such cases for the missions of our two countries to consult with one another so as to insure that these approaches are co-ordinated. Where dual approaches are intended the country named first in the Annex will make the initial approach and the country named second will make the follow-up approach.

4. The Government of the country being approached should be informed that it is intended that the operation shall be conducted in three stages

(1) a preliminary confidential survey restricted to certain key countries, which, if the results are encouraging, will be followed by

(2) a wider, more complete survey of countries, which, if the results confirm and augment those of the preliminary survey, will be followed by

(3) the opening for signature of a multilateral convention.

5. It is intended that the following countries should be informed about the intentions of the United Kingdom and Canada to conduct this preliminary survey:

(a) *United States* – The United States will be approached both before and after the first stage. The Canadian Embassy will first approach the United States authorities in Washington to inform them of the decision to conduct the preliminary survey and invite them to instruct their missions in the eighteen countries concerned to express at least a benevolent interest in the project. Supporting action will be taken by the United Kingdom there. The active support of the United States for the project will not be requested until the conclusion of the first phase.

(b) *France and Belgium* – These countries may not yet be ready to support the proposal. However, they would be bound to learn about the proposed survey in view of their participation in the forthcoming North Sea Conferences to be held at Hague. For reasons of general policy, therefore, the United Kingdom will inform them of the project in broad terms.

(c) *Argentina and Brazil* – It has been agreed that Canada should decide, after raising the matter with American officials, whether or not to inform Argentina and Brazil in general terms that consideration is being given to the conclusion of a multilateral convention. It is considered that these two countries should probably be informed unless the United States should express objections.

(d) *Norway* – The Norwegians have been in close touch with us on this question, and although it was hoped that they would be able to co-sponsor the preliminary confidential survey the Norwegian Government have found it necessary for domestic reasons to decide against doing so. They will however be informed as soon as the survey is undertaken and your Norwegian colleague can be expected to adopt a benevolent attitude towards the project.

6. *Possible Doubts Concerning the Survey*

It should be stressed that the existence and the results of this preliminary survey will be kept confidential. Should anyone express the fear that an unsuccessful preliminary survey may be “counter productive” you should explain that it is recognized that if the initial survey discloses that the majority of the shipping and fishing countries do not favour a multilateral convention then the idea is dead. The initial survey will not, however, have worsened the situation since its results will be kept confidential except amongst those countries approached. If it should transpire that support for the Geneva Formula had waned since the second conference to a point where even perhaps with American assistance a convention would attract so few signatories that it would be ineffective, no country would gain by remaining in ignorance of this state of affairs.

7. *Definition and Scope of Canada-United States Formula*

The “Geneva Formula” comprises three main elements

- (a) a territorial sea not exceeding six miles.
- (b) an exclusive fishing zone not exceeding twelve miles with a ten-year transitional period in the outer six miles for those countries which have traditionally fished there.
- (c) a procedure for examining claims to preferential fishing rights outside that zone. (Brazilian amendment).

In referring to the “Geneva Formula,” however the countries to be approached in the first phase of the survey should be asked only if they would in principle favour the conclusion of a multilateral convention “based on the Geneva Formula.” You should not yourself make reference to the third element of the formula i.e. (c) above. On the other hand nothing should be done or said which would prejudice one way or the other the possible retention or elimination of the “Brazilian amendment.” If the question is raised, however, you should report as fully as possible any views in favour or against this provision which are expressed to you.

8. For your own information, the two surveying countries intend to give further consideration, in the light of the replies received, as to whether or not the balance of advantage would lie in retaining or discarding the clause on preferential rights (Brazilian amendment). There would appear at this stage to be two possible points of view on this question: on the one hand most Western European countries and probably also the United States would wish to see the provision eliminated, while on the other hand a number of Latin American countries might not be prepared to support a proposal which did not contain the preferential rights proviso. Consequently Latin American countries have not been included in the list of countries to be approached in the first (or preliminary) survey.

10. *Arguments to Use*

(a) The following general observations should be borne in mind in making these representations.

The initiative is in no sense a cold war project or an attempt to avenge the “diplomatic defeat” at Geneva. On the contrary, it is motivated by a desire to further the orderly development of international law, and in particular to complete the codification of the Law of the Sea so nearly achieved at the 1960 Geneva Conference. (One of the most telling arguments with some of the older and more conservative countries, who might not otherwise be favourably disposed towards the convention, is that of the desirability of achieving uniformity

and certainty of international law, and this should not only be stressed in the initial approaches, but should, where appropriate, be followed up with the Legal Advisors to the Foreign Ministers in question).

11. The general desirability of reaching agreement on the two important questions left unanswered (i.e. the breadth of the territorial sea and fishery limits) is underlined by the present uncertainty and the likelihood of a continued drift towards chaos in the Law of the Sea. The sooner therefore that a multilateral convention can be concluded the sooner this disturbing drift can be stopped. It is hoped that if a multilateral convention is concluded in time, enough countries will accede so as to obtain substantially the same purpose as would have been achieved at Geneva. The potential influence and importance from a shipping and fishing point of view of the countries acceding to such a convention is considered to be as important as the numbers concerned.

(b) Support for a multilateral convention at this stage, rather than later, would have a good chance of building on the large measure of agreement reached at the conference and avoiding the loss of the effort put into it.

(c) The existence of an agreement would help to prevent disputes arising out of incidents on the seas and would encourage countries with outstanding disputes to arrive at an early solution.

(d) The movement to a twelve mile territorial sea would be slowed down and countries might be restrained from making more extravagant claims. Maximum freedom of the seas would thereby be ensured for security, navigational and commercial purposes.

(e) It would provide a convention to which new countries could adhere when they gain their independence.

(f) The convention, especially as it will number among its signatories the chief maritime and air transport nations of the world, and includes some of the more important fishing nations would provide an important source of law from which a universal rule of law might gradually evolve.

(g) The conclusion of a multilateral convention on the remaining questions in issue might further encourage states to ratify the conventions adopted by the 1958 conference.

10. There may be other advantages of particular attraction to the country to which you are accredited, or, on the other hand, disadvantages peculiar to that country, and you should draw on aide mémoires you may have presented before the second conference. Similarly, some of the points listed above might be dropped if you believe that it would be inadvisable to use them in their present form or at all.

11. *Provisional Assessment of the Attitude of States*

Attached for your background information as Annex "B"† not to be shown to or discussed with other parties is a very provisional assessment of the probable attitude of the 107 members. (including Mauritania) of the United Nations and Specialized Agencies towards the idea of a multilateral convention.

12. The foregoing instructions are provisional and will be confirmed by telegram. Similar instructions are being sent to your Canadian-United Kingdom colleague. You should treat this matter as important and urgent and should take the earliest opportunity, before making an approach, to discuss it fully with your United Kingdom - (Canadian) colleague and to ensure that your United States colleague will take the necessary benevolent attitude. In reply to press enquiries it is undesirable to go beyond saying that consideration is being given in various capitals to the situation arising out of the failure of the Geneva Conference (see Paragraph 1).

13. You should stress throughout the desirability of keeping the operations secret from countries not being canvassed.

68.

DEA/10600-W-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. CANADIAN EYES ONLY.

[Ottawa], January 23, 1961

LAW OF THE SEA – MULTILATERAL CONVENTION

Since the United Kingdom has now agreed to the remaining points outstanding (the inclusion of Denmark and Sweden and notification to Norway; see Mr. Drew's telegram 225 of January 20 attached)† we can begin the preliminary survey as soon as our missions and those of the United Kingdom in the countries being canvassed have received their instructions. Our missions will all have received their instructions by tomorrow, and the United Kingdom missions will have received theirs by January 26. I have therefore drafted a telegram to Mr. Drew for your signature, if you agree, proposing a timetable for notifying the U.S.A. and Norway and beginning the survey, and outlining our thinking behind the timing suggested.

N.A. R[OBERTSON]

69.

DEA/9456-RW-11-40

*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 L-17

Ottawa, January 24, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel. 225 of Jan. 20.†

Repeat for Information: Washington, Oslo, DND (JAG & DNPO).

LAW OF THE SEA

I am pleased to learn of the results of your discussions with Lord Home, which I agree are very satisfactory.

2. Since the U.K. missions and ours in all the countries concerned in the survey will have received their instruction letters by January 26 we would suggest the following timetable for U.K. approval:

(1) Instructions to be sent as soon as possible to our respective missions in Washington and Oslo requesting that on the morning of Friday January 27 they notify the U.S.A. and Norway about the survey. (In the case of the U.S.A. our missions would be asked not to raise the question of the Latin American countries at this stage and to confine themselves to informing the Secretary of State or an appropriate senior official of the State Department of our plans and attempting to persuade them of the desirability of

(a) informing the United States embassies at the capitals concerned, so that they will not be taken by surprise if questioned by officials of those governments, and also, if we can so persuade the State Department,

(b) informing them that the State Department takes a benevolent interest in the project.

Our missions in Oslo would be asked merely to inform the Norwegian Foreign Office of the start of the survey and to request that Norwegian missions abroad, particularly those in Stockholm and Copenhagen, be informed of the survey and of the Norwegian Government's favourable attitude towards it.

(2) Instructions to be sent not later than January 26 to our respective missions in all the countries concerned requesting that co-ordinated representations be made on (but not before) Monday, January 30 or as soon thereafter as possible.

(3) The Canadian Embassy in Washington to be instructed to raise the question of the Latin American countries sometime during the first week in February.

3. You may inform the U.K. authorities that we have had the following considerations in mind in proposing this timetable. We feel that we must give the U.S.A. and Norway some advance notice of the survey, if we are to obtain any assistance from them, and we cannot therefore wait until the survey starts before informing them. On the other hand, we see no advantage in delaying the survey until the response of the State Department is known. (Presumably the U.S. missions will be notified very quickly, and we have previously been told that the State Department has no objection to our going ahead with the survey without them). In order to get the survey underway as soon as possible, and at the same time lessen the likelihood of premature leaks, the delay between notifying the U.S.A. and Norway and commencing the survey should be as short as possible. For these same reasons the approaches in the various capitals should be co-ordinated so as to take place around the same date.

4. For your information, we have attempted, in drafting the timetable, to strike a balance between giving the State Department enough time to inform their missions about the survey and of their attitude towards it, while not giving them time to raise possible reasons for delaying the survey. For similar reasons we feel that the question of notifying the Latin American countries should not be raised until the survey is well under way.

[H.C.] GREEN

70.

DEA/10600-S-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 L-22

Ottawa, January 26, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Let L-36 Jan 12.†

Repeat for Information: London, DND, JAG, DNPO, Rome, Paris, Brussels, Bonn, Hague.

By Bag Canberra, Wellington, Dublin, Madrid, Tel Aviv, Ankara, Cape Town, Tokyo, Karachi, Lisbon, Stockholm, Copenhagen, Athens, Berne, Oslo from London.

LAW OF THE SEA

Please make representations to State Department during morning of January 27 along following lines:

(a) Informing them that on Tuesday January 31, Canada and United Kingdom will begin canvassing 18 countries listed in Annex "A" to our reference letter to determine extent of support available for a multilateral convention based on Canada-USA "six-plus-six" Geneva Formula;

(b) Explaining proposed plan of action, basis on which these countries have been selected, and confidential nature of operation;

(c) Making clear that in present (preliminary) phase we are not repeat not requesting active support of USA; and

(d) Inviting State Department to inform its missions in countries concerned of survey and explain that although USA is not repeat not taking part in it State Department looks favourably upon project and is hopeful that it will succeed.

(e) Informing State Department that we will be in touch with them after we have carried out preliminary survey.

2. In making these representations you may wish to bear in mind following points:

(1) Your approach should precede but be coordinated with that of your United Kingdom colleague, who will be making supporting representations;

(2) We hope that USA missions in countries concerned will be informed about survey soon as possible so that they will not repeat not be taken by surprise if questioned by officials of those countries;

(3) Purpose of preliminary survey is to determine whether a larger survey should be undertaken; fact that we hope to be able to use results of preliminary survey to persuade USA to join us actively in second phase of survey is not repeat not being mentioned in other capitals and you should therefore not repeat not refer to it;

(4) Question of desirability or otherwise of notifying Latin/American countries should not repeat not be raised at this stage;

(5) A non-committal reply should be given to questions as to which of two Geneva formulas is being put forth; (for your information we favour original agreed version rather than later amended one actually put to vote).

...

71.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], January 26, 1961

LAW OF THE SEA – MULTILATERAL CONVENTION

As you know, in our telegram L-17 of January 24 to London (a copy of which is attached) we suggested that Washington and Oslo be informed on the morning of January 27 of the preliminary survey and that the active canvassing of the eighteen countries to be approached begin on the morning of Monday, January 30. The United Kingdom have now approved of our proposal, but have suggested that the survey begin one day later, on January 31 (London's telegram 298 of January 26, a copy of which is attached).†

2. Because of the urgency of notifying the United Kingdom authorities of our approval of the slight procedural change, (so that they would then have time to notify their missions), we have sent a message to London confirming our agreement to it (our telegram L-25 of January 26, a copy of which is attached). † We have also instructed our missions in Washington, Oslo and the other capitals concerned in the survey to take the necessary action to begin the survey (our telegrams L-20, † L-21, † L-22 and L-26 † of today's date, copies of which are attached).

N.A. R[OBERTSON]

72.

DEA/10600-S-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 294

Washington, January 27, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel L-22 Jan 26.

Repeat for Information: London (OpImmediate), Paris (Priority), Brussels, Rome, Bonn, Hague (Priority) from Ottawa, DND Ottawa, JAG Ottawa, DNPO Ottawa (Priority) from Ottawa.

By Bag Canberra, Wellington, Dublin, Madrid, Tel Aviv, Ankara, Cape Town, Tokyo, Karachi, Lisbon, Stockholm, Copenhagen, Athens, Berne, Oslo from London.

LAW OF THE SEA

We saw Yingling (Assistant Legal Adviser and whose office is responsible for policy recommendations on Law of the Sea matters) this morning (January 27) and made representations to him in accordance with your reference telegram, augmented by appropriate portions of the more detailed information contained in your letter L-36 January 12. † In the interest of greater certainty we left with Yingling an informal "piece of paper" recapitulating the substance of our representations. We subsequently informed Ivan White (Deputy Assistant Secretary for European Affairs) of representations. United Kingdom Embassy has followed up our approach this afternoon.

2. Yingling's reaction was generally sympathetic to the purposes of the preliminary survey as we had outlined them. He recognized the desirability of informing USA mission in the countries concerned of the joint survey but doubted that it would be possible to do this prior to the commencement of the survey. In view of the change of Administration it would be necessary for him to consult his superiors, who are new appointees, and other interested agencies concerning what attitude USA missions should be instructed to adopt. He could say, however, that there would be no repeat no question of USA missions adopting an attitude of opposition, tacit or otherwise, to the project. We emphasized that we were not repeat not soliciting USA's active participation but rather hoped that the State Department would agree to instruct their missions to indicate that USA look favourably on the project. We urged the desirability of informing USA mission as soon as possible and hoped their position would be a benevolent one. Yingling undertook to inform us later as to the attitude USA missions are instructed to adopt towards the project.

3. Yingling recalled the position which had been held by the former Administration that it would not repeat not be desirable to promote a convention based on the six plus six proposal unless such a proposal had adequate support, and that when last reviewed, it was considered

that the requisite support was not repeat not available. However, Yingling's personal attitude is sympathetic though coupled with a conviction that the promotion of a convention based on six plus six should proceed with deliberation and caution. He thought that it would be desirable eventually to convene another conference for the purpose of signing a convention.

4. Yingling continued to believe that Western European and particularly French support for a convention was crucial. He considered that various discussions in Western Europe regarding fisheries matters like the UK-Norwegian agreement, the UK-Icelandic discussions, and the forthcoming North Sea Conference augured well for the solution of local difficulties in Western Europe. Once these had been settled he believed that the Western European countries might well favour a multilateral convention based on the six plus six proposal. Thereafter the aim should be to try to rally the support of most of the Latin/American countries plus a representative group of countries from other geographical areas. Yingling thought there would not repeat not be much point in a multilateral convention unless at least forty to forty-five adherents were guaranteed.

5. Yingling said that there was continued opposition among USA fishing interests to the six plus six proposal. They had "been brought along" at the last conference but it was no repeat no secret that they were not repeat not unhappy since the joint USA-Canadian proposal failed of adoption.

6. Yingling was optimistic that in time some countries now opposed to the six plus six proposal might eventually, with changing circumstances, come to support the six plus six rule. He was not repeat not without hope that at some stage the Arab States might change their position. He also noted that of all the new African States only the Sudan had taken unilateral action since the conference. He believed it important not repeat not to stimulate the African States to early action since at the moment they would be likely to adopt the twelve mile rule. However, if the groundwork were carefully prepared, many of them might be persuaded eventually to support the six plus six formula. He had no repeat no hope that a six plus six proposal would be acceptable to the Soviet bloc.

7. We pointed out that the preliminary survey we proposed to undertake did not repeat not conflict with Yingling's views on how the problem should be approached. He conceded this and agreed that it would be useful to have an up-to-date assessment of the views of the countries listed. He thought that, excepting Spain, Portugal and Japan, concerning which he had some doubts, we would get a favourable response.

8. Yingling fully agreed that the survey should be kept completely confidential. If it were not repeat not, the "opposition" would come to hear of it and might be stimulated into taking counter-measures which could wreck the prospects for a convention based on the six plus six proposal at some future appropriate time.

[S.] RAE

73.

DEA/10600-S-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour la Direction juridique*

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

CONFIDENTIAL

[Ottawa], January 31, 1961

Attention: Mr. Beesley

LAW OF THE SEA – U.S. REACTION TO CANADA-U.K. SURVEY

Mr. Nutt phoned from Washington shortly after 1.00 p.m. today to say that they had received a reply from the State Department to their latest request that instructions be sent to U.S. missions in countries where either Canada or the U.K. are to make representations concerning a multilateral convention embodying the Canada-U.S. proposal at Geneva.

2. Apparently Yingling has advised the Embassy that a telegram will probably be sent out this afternoon. This telegram will advise U.S. missions that, for a number of reasons, it was not possible for the State Department to undertake this survey but that the State Department has no objections to the Canada-U.K. initiative. The telegram will also make the point that the U.S. authorities are in sympathy with our purposes and that, in their view, the results of the survey will be useful. It seems that, in the circumstances, we could hardly have expected more from the State Department.

M. CADIEUX

74.

DEA/9456-RW-11-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Japon*

*Secretary of State for External Affairs
to Ambassador in Japan*

TELEGRAM L-32

Ottawa, February 2, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel. 34 of January 31.†

Repeat for Information: London, Washington, Paris, Tel Aviv, DND (JAG & DNPO).

By Bag Canberra, Wellington, Cape Town, Karachi, Dublin, Copenhagen, Athens, Bonn, Brussels, Rome, The Hague, Lisbon, Madrid, Stockholm, Geneva, Ankara, Oslo.

LAW OF THE SEA

Although the response from the Japanese Foreign Office is probably as satisfactory as can be expected at this stage, it would seem advisable to make follow-up approaches to the Foreign Office with specific reference to the points raised, (and also, if you think it would be useful, to the Treaties Bureau and/or the Ministry of Fisheries, who may be the same people who will be attending the Whaling Conference in London later this month), along the following lines.

(a) *How Long Can a 3-Mile Sea Be Maintained?*

While we understand the Japanese preference for a 3-mile limit, it has become increasingly obvious in the light of the developments at the two Geneva Conferences that it is no longer realistic to attempt to hold the line at three miles. During the 1958 Conference it became apparent that a 6-mile territorial sea was the narrowest one likely to be acceptable to any

substantial number of countries. Subsequent attempts to extend the territorial sea by unilateral action confirmed the existence of this state of affairs and emphasized the desirability of attempting to stop the clearly apparent trend towards a wider territorial sea. The "six-plus-six" formula was put forward in the hope of holding the line at six miles. Under present conditions it is questionable how long any state can maintain a three-mile limit, and the question arises therefore as to whether it would not be better to concentrate the efforts of all countries desiring to establish and maintain the rule of law amongst nations towards a realistic goal of six miles, rather than dissipate their strength in isolated attempts to establish territorial seas of varying widths.

(b) Continued Attempts to Maintain a Three-Mile Limit May Well Result in a Twelve-Mile Limit Being Established.

Apart from doubts as to whether it is any longer realistic to maintain a three-mile limit, it must be asked whether attempts to do so are not in fact counter-productive. The trend towards a wider territorial sea, may, if not arrested soon, result in chaotic conditions in this important branch of international law, and for this reason it is not enough for countries to remain passively in favour of a narrow territorial sea. Active steps are required in order to prevent its further extension. Unless however a proposal is put forth which is acceptable to those states desiring a wider territorial sea, (and 3 miles is totally unacceptable to them), not only will the trend not be arrested, but the inaction of those countries standing by a three-mile limit will have had harmful results. It is imperative therefore that a compromise be found which is acceptable both to those countries desiring a wider territorial sea and those desiring to maintain the freedom of the high seas. The experience of the two conferences has shown that the only such proposals is the "six-plus-six" formula.

(c) Fishing Interests.

If the countries of the world continue to attempt to extend their territorial sea, by unilateral action or otherwise, this will obviously have harmful effects on those countries dependent on distant water fishing. (A twelve-mile territorial sea would carry with it an exclusive fishery zone at least that wide, with no assurance that it would not be even wider.) It was with the hope of proposing a compromise between those states desiring to protect their off-shore fisheries and those dependent upon distant water fishing ground that the "six-plus-six" formula was proposed. Once again developments at and since the two Law of the Sea Conferences have made it abundantly clear that there is no trend towards narrower exclusive fishery zones. It is recognized that certain countries such as Japan may be obliged to make some sacrifices in accepting the "six-plus-six" proposal, but this is equally true of those countries desiring a much wider exclusive fishing zone, (in their acceptance of the ten-year aspect of the formula). It seems clear that the "six-plus-six" proposal is a compromise which, involving as it does sacrifices on both sides, is the only one giving promise of achieving a rule of law on this important branch of international jurisprudence.

(d) Dangers of Following Policies Dependent on Those of U.S.S.R. and Mainland China.

The question arises as to whether the approach of the U.S.S.R. and Mainland China should be allowed to become general as a result of the attempts of other countries to revive the three-mile limit. While on the face of it the three to twelve-mile policy of the U.S.S.R. (and presumably Mainland China) seems to pay lip service to the three-mile limit, its real essence is the choice it provides of territorial seas up to twelve miles. This choice not only contains the seeds of international legal chaos, with each state adopting its own limit, (in effect a legalization of the present increasingly disturbing conditions), but it carries with it also the danger, which is a probability rather than a possibility, that it would result in a large number of nations adopting a twelve-mile territorial sea, given the choice. Support of the U.S.S.R.-mainland China approach is therefore tantamount to conceding a wide-spread twelve-mile limit for all purposes. It seems

clear that it is not possible to reconcile a preference for a narrower territorial sea with the policies of the U.S.S.R. and Mainland China on this issue. On the contrary, the best way of holding the line to as narrow a territorial sea as possible is to support the "six-plus-six" formula.

2. We should be grateful to receive a further report in due course.

75.

DEA/9456-RW-11-40

*L'ambassadeur aux Pays-Bas
au secrétaire d'État aux Affaires extérieures*

*Ambassador in The Netherlands
to Secretary of State for External Affairs*

TELEGRAM 46

The Hague, February 6, 1961

SECRET. CANADIAN EYES ONLY.

Reference: Our Tel 10 Jan 10.

Repeat for Information: London, NATO Paris, Paris, Bonn, Geneva, Washington, DNPO Ottawa, DND Ottawa, JAG Ottawa from Ottawa.

By Bag Canberra, Wellington, Karachi, Cape Town, Dublin, Copenhagen, Oslo, Stockholm, Athens, Lisbon, Madrid, Ankara from London.

HAGUE CONFERENCE ON FISHERIES' QUESTIONS

Informal meeting convenes in Peace Palace February 7 with representation from Ireland, UK, France, Belgium, West Germany, Denmark, Norway, Sweden and Netherlands. There will be no repeat no agenda and purpose will be to explore possibilities of organizing official conference to plan regional agreement.

2. Bogh-Tobiassen, First Secretary in Norwegian Embassy here, who will be representing Norway with observer status, gave us following reasons for Norway's lack of enthusiasm for conference:

(1) Proposed conference would be too restrictive in geographical sense and would not repeat not exclude outsiders from invading waters concerned.

(2) Objectives would be "protectionist" with "three-miles" in majority.

(3) Long-range aim was to ensure that fishing fleets of countries providing main markets for North Sea fishery products had access to fishing fields.

3. Contrary to reassurance given us by Riphagen (our telegram 342 September 16)† Bogh-Tobiassen said Norwegian authorities considered promotion of Hague Conference constituted on 6-6 basis. Bogh-Tobiassen appeared to think we might have received instructions to try to bring some influence to bear on proceedings at this week's conference in interest of your latest initiative on a multilateral convention.

4. We will keep in touch with Bogh-Tobiassen in connection with proceedings at this week's conference.

76.

DEA/9456-RW-11-40

*Le bureau du haut-commissaire du Royaume-Uni
à la Direction juridique*

*Office of High Commissioner for United Kingdom
to Legal Division*

SECRET

Ottawa, February 9, 1961

Dear Mr. Beesley,

In my letter to Mr. Langille of the 8th November last I said that the United Kingdom had agreed in principle to participate in a Conference on fishery policies to be held at The Hague between representatives of states bordering on the North Sea.

2. I have now been asked to tell you that we have accepted an invitation from the Netherlands Government to attend an informal preliminary meeting at The Hague, beginning on 7th February. The purpose of this meeting is to explore the desirability of convening a formal North Sea Fisheries Conference later in the year with a view to concluding a treaty. The meeting would discuss the agenda for such a Conference. The instructions to the United Kingdom delegation are that they should seek to ensure that any further discussions cover the whole field of fishery policy including conservation measures and trade in fish; that they should reserve our position fully on the possibility of future extensions of fishery limits and base-lines; and that they should let it be known that in certain circumstances we might be compelled to consider such extensions.³⁷

Yours sincerely,

M.K. EWANS

77.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], February 9, 1961

LAW OF THE SEA: PRELIMINARY SURVEY

As you know, the results of the preliminary survey, while still incomplete, are generally favourable. Certain countries, such as Spain and Ireland have indicated support for the convention, while others, such as Sweden, Turkey, and Italy have indicated probable support but have been unable to give a definite answer as yet. As was expected however, difficulty has been encountered with Germany and Japan, both of whom have given a qualified approval dependent amongst other things upon the attitude of other countries. The survey appears therefore to have reached a point where, the initial approaches having been made by our missions and those of the U.K., most countries are in the process of giving consideration to our representations.

³⁷ Note marginale :/Marginal note:

This is the first we have heard of this. J.A. B[eesley]

2. Because of the desirability of completing the survey as soon as possible, so that, assuming that it will be successful, its results could be used to persuade other countries such as Norway and Turkey against taking the unilateral action they are now contemplating, (while at the same time lessening the likelihood of leaks prior to the commencement of the second phase of the survey), we should try to prevent the survey from bogging down at this stage. I have therefore drafted for your signature, if you agree, a telegram to all our missions concerned urging them to press this question actively with the countries to which they are accredited and, if necessary,³⁸ to conduct continuing dialogues in the hopes of achieving a quick and favourable response.

N.A. R[OBERTSON]

78.

DEA/9456-RW-11-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Deputy Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], February 16, 1961

LAW OF THE SEA

In the course of a conversation yesterday about other matters, the French Ambassador said that he had received a request from Paris for clarification of our position.

2. Apparently, in an earlier message the French Ambassador had reported that we were prepared to revive in the form of a multilateral convention the six plus six formula. United Kingdom representatives, in discussing the survey, had referred to the Geneva formula. The French authorities were wondering whether there was not a difference between the two positions and whether we envisaged special bilateral negotiations concerning the tapering off period for historic fishing rights.

3. The other day, when the French Ambassador had raised the question directly, I told him that there was a move in progress as to the Geneva formula and that United Kingdom representatives (by agreement with us) were to inform the French authorities of what was involved. I was deliberately vague and the French Ambassador had clearly misunderstood and misrepresented our position. I was therefore quite clear in stressing that we were conducting a survey as to the prospects of the Geneva formula which had received a 5 affirmative vote. I also explained that in our view this was somewhat a package deal and that the prospects of success seemed related to faithful adherence, as far as possible, to the original formula although we would of course take note of comments on any of its main features. It seemed to us however that unless countries were prepared to revive the original formula, any suggested variations would be likely to involve substantial renegotiations and therefore very likely the abandonment of the scheme.

4. The French Ambassador raised the question of bilateral negotiations. I said that it was too early to discuss this. We must first find out whether the Geneva formula can be revived. If this fails, Canada, like other countries, e.g. Norway, will have to determine the best course to follow. I could not guarantee that we would negotiate first and move later. No decision had been made by the Canadian Government on this point. In fact, the French Government may have to decide in the case of Canada, should there be no multilateral solution, whether we would be content to claim unilaterally six plus six or whether in the absence of a convention we, like so many other countries, would not be prepared to go much further. While, in the

³⁸ Note marginale :/Marginal note:
Signed by SSEA 10/2. R. C[ampbell]

absence of an agreed scheme, sympathy for France might of course influence the Government here to take a generous attitude, France was not the only or even the main country fishing along our coasts and the maximum limit for the tapering off period (if there was to be any and this remained to be seen) might well have to be determined in relation to U.S. operations and applied across the board to other countries. I then explained that the ten year period embodied in the Geneva deal had represented for us the very extreme limit of concessions vis-à-vis the United States. In fact, the Government here at the time was only reconciled to it with great difficulty.

M. CADIEUX

79.

DEA/9456-RW-11-40

*Note de la Direction juridique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Legal Division
to Deputy Under-Secretary of State for External Affairs*

SECRET. CANADIAN EYES ONLY.

[Ottawa], February 16, 1961

Reference: Our telegram L-53 of February 16, attached.

LAW OF THE SEA: DESIRABILITY OF INFORMING THE LATIN AMERICANS
OF THE PRELIMINARY SURVEY

It has occurred to me that the American thinking behind their reluctance to have the Latin Americans notified might be along the following lines. The U.S.A. is not really very enthusiastic about the convention, yet it would not like to be blamed by the United Kingdom and Canada for its failure. Since the U.S. attitude would probably be the determining factor with the Latin Americans, mere "benevolent interest" on the part of the U.S.A. might not be enough to bring them in, and the U.S.A. would, therefore, be forced to decide for or against the convention, and even worse perhaps from the U.S. point of view, for or against the Brazilian Amendment. The State Department may feel that by sitting tight there is always the possibility that the survey will be a failure, in which case the U.S. would not have had to antagonize anyone and could not be blamed, except indirectly, for the failure. On the other hand, should the survey be successful then the U.S. would be in a somewhat stronger position to deal with the Latin Americans, and the fate of the Brazilian Amendment would not in any event be laid directly at the door of the U.S., as might be the case were the issue to arise at this stage.

2. The real importance for the U.S. on the question of notifying the Latin Americans may, therefore, be much greater than they have indicated, although Yingling's initial response is consistent with the foregoing – particularly his worries about the Latin Americans not appreciating the precise balance of the American position. It would follow from this that we should be careful about pushing the Latin American question with the State Department until we are sure the time is right to use it as a means of forcing them to take a stand. As Mr. Drew has pointed out, it might be wise to wait until Mr. Dean's influence has been brought to bear; we could get some indication concerning this from Mr. Dean's reply to Mr. Drew's letter.³⁹

J.A. BEESLEY

³⁹ Note marginale :/Marginal note:
Yes. M. C[adieux]

80.

DEA/9456-RW-11-40

*Note de la Direction juridique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Legal Division
to Deputy Under-Secretary of State for External Affairs*

SECRET. CANADIAN EYES ONLY.

[Ottawa], February 23, 1961

LAW OF THE SEA: PRELIMINARY SURVEY

I have been wondering about the possibility of coordinating our policies with those of Norway and the United Kingdom should the results of the preliminary survey be unfavourable. We know that Norway is contemplating unilateral action on the basis of the "six-plus-six" formula and that the United Kingdom may be considering similar action judging from the instructions to their delegation to the Hague Meeting. Were we to take unilateral action then presumably it would have a sounder basis if it were coordinated both as to timing and substance with similar action by the United Kingdom and Norway. The action of all three countries might then be mutually reinforcing, both legally and politically. It is even conceivable that such action by three of the countries who have taken the most prominent roles in this field could provide the beginnings of an international rule of law on the six-plus-six basis. In any event, we would all feel that we were in good company, and could share the brickbats.⁴⁰

J.A. BEESLEY

81.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], March 1, 1961

LAW OF THE SEA: PRELIMINARY SURVEY

The preliminary survey appears to have reached a stage where it is possible to make a tentative assessment of its results to date. None of the countries canvassed appears to be opposed to the proposed multilateral convention, and most have indicated that they favour it in principle. In summary, although Japan, Turkey and Pakistan may all require further persuasion it seems likely that their support will eventually be forthcoming, and the survey appears to be progressing favourably in other quarters. A rather disturbing development has occurred outside the context of the survey however, which we fear may have damaging effects on the survey, and even perhaps ruin the possibilities for a multilateral convention.

2. The Scandinavian countries, the Low Countries and Germany, France, Ireland and the United Kingdom have just concluded a fisheries meeting at the Hague during which it was agreed that a North Sea Conference would be held in October. In the meantime, with the

⁴⁰ Note marginale :/Marginal note:

We should consider doing this with the U.K., at least if the first part of the survey being completed the U.S.A. hesitate to join in the or a big "push." M. C[adieux]

exception of the United Kingdom and Ireland, these countries will probably be unwilling to give definite answers on the multilateral convention. France, Belgium and the Netherlands are actively promoting a regional North Sea Agreement, partly because they are fearful of losing United Kingdom fishing grounds through the terms of the proposed convention; before agreeing to it they want to try to obtain concessions from the United Kingdom through bilateral negotiations. Consequently, while appearing to favour the proposed convention, what they are saying in effect is that they would agree to it so long as its provisions do not apply to them (at least with respect to fisheries). Germany has been in the reverse position since the proposed convention would have given Germany concessions from Norway which she would otherwise have been able to obtain only at some cost in return; this is also the partial explanation of Norway's decision not to participate in the survey. These two countries have, according to press reports, now reached agreement however and this may effect the attitude of both. The other countries concerned are also hopeful of securing their positions through bilateral negotiations, and are therefore unlikely to be willing to commit themselves on the multilateral convention until either a regional agreement is reached or their bilateral negotiations are concluded, whichever occurs the sooner.

3. The real significance of the proposed North Sea Regional Agreement therefore is that it renders the results of the preliminary survey inconclusive. The equivocal answers of the countries involved in it would not provide a very firm basis for approaching the U.S.A. nor for dissuading the Norwegians from taking unilateral action. Moreover, by seeking to exempt themselves from its provisions the North Sea countries are taking a position basically incompatible with the proposed convention, which, if followed elsewhere, could result not only in interminable delays before conclusion of a convention, but in a convention whose terms would be virtually meaningless because of the many exceptions to it. Furthermore, if the U.S.A. were to take a position similar to that of the North Sea countries it could have serious implications for Canada. It seems clear therefore that the proposed North Sea Conference presents a real obstacle to the conclusion of a multilateral convention.

4. There would appear to be several possible courses of action open to us as means of overcoming this difficulty, namely:

(a) to consider the survey a failure on account of the attitude of the North Sea countries, and give consideration to taking unilateral action on the "six-plus-six" basis;

(b) to keep the preliminary survey open and postpone the second phase until definite answers are received from the North Sea countries;

(c) to go on with the second phase of the survey and treat the North Sea countries as being in favour of it;

(d) to make a further strong effort to persuade the North Sea countries to agree now to the convention.

5. As to course (a), there would be some basis for concluding that, having made the effort now and the project having been defeated by those very countries most likely to suffer from unilateral action by the United Kingdom and Canada, we owe them no further obligation to refrain from taking such action. However, while we may eventually be brought to this position, it would seem to be somewhat premature to adopt it at this stage.

6. As to course (b), it would not be practicable to keep the preliminary survey open and postpone the second phase until late fall. Not only would the momentum of the survey be lost, with possibly harmful effects on those countries who have indicated interest in it, but the danger of leaks or of unilateral action or regional agreements during the intervening period would increase. Moreover, if the survey were to stall at this stage amongst those countries considered most likely to accept it, then it is not likely that other countries would consider it a sound proposition.

7. As to course (c), it might be possible to proceed with the second phase of the survey and treat the North Sea countries as having indicated approval in principle to the convention, but the feasibility of this course would depend to a large extent upon the willingness of the U.S. to proceed on this basis. It seems rather unlikely that we could gain U.S. support without more concrete evidence of active interest on the part of the North Sea countries, bearing in mind also that the Latin Americans have not yet been approached. Furthermore, it is our hope that all the countries being canvassed would join actively in promoting the convention during the second phase of the survey, and the equivocal attitude of the North Sea countries would seem to preclude this possibility. However, this course of action remains open and it would be preferable to course (a).

8. On balance, although it may eventually prove necessary to adopt course (c) or even course (a), it would seem to be worth while first to make a strong effort to persuade the North Sea countries that it would be in their own best interests to agree to the convention; (course (d)). This could, we think, best be done by the British, since they are in a position to put considerable pressure on France, Belgium and the Netherlands.

9. The United Kingdom may already be half-way along the path towards unilateral action, judging from their position at the Hague Meeting, during which they specifically reserved their position on possible extensions of their baselines and fishery limits. With unilateral action by Norway in the offing, it might not be difficult for the United Kingdom to capitalize on fears by the North Sea countries of similar action by the United Kingdom. It could be intimated that while under the multilateral convention there would be a ten-year tapering off period, there need be no such provision if the six-plus-six formula were implemented unilaterally by the United Kingdom and Canada, and if it were hinted that such action could be timed to coincide with similar action by Norway, the other North Sea countries might well be moved to look more favourably upon the proposed multilateral convention.

10. Before such a position could be taken it would have to be agreed to by our Government and that of the United Kingdom, but in the meantime there would seem to be no reason why we should not explore such a possibility with the United Kingdom and if they concur, subsequently raise the question with Cabinet. I have therefore drafted a telegram to our High Commissioner in London† for your signature, if you agree, outlining our thinking (with the exception of possible unilateral action on our part) and requesting that he solicit the views of the United Kingdom authorities on the various courses of action possible.⁴¹

N.A. R[OBERTSON]

⁴¹ Note marginale :/Marginal note:
Signed by SSEA 3/3. R. C[ampbell]

82.

DEA/9456-RW-5-40

*Note de la Direction juridique
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Legal Division
to Deputy Under-Secretary of State for External Affairs*

SECRET. CANADIAN EYES ONLY.

[Ottawa], March 2, 1961

Reference: Our memorandum for the Minister of March 1.

PRELIMINARY SURVEY; CONDITIONAL ANSWERS

As you know we are continuing our discussions with those countries who have indicated doubts about the convention, and are giving consideration to appropriate action with respect to those who have stated their approval in principle, subject to the conclusion of a regional agreement. There is a third broad category however comprising countries such as Israel, whose approval in principle is dependent upon the attitude of certain other countries, and Sweden, whose approval is conditional upon a sufficiently large number of other signatories and, Japan, whose approval is qualified by a mixture of both conditions. As in the case of the North Sea countries, the question arises as to whether we should proceed on the basis of expected support from these countries, or go back to them and point out that other countries are not likely to support the convention unless the eighteen key countries being canvassed in the preliminary survey indicate definite approval.

2. This is the kind of problem which could perhaps be discussed during the proposed official level meeting in London at the conclusion of the preliminary survey, when we can compare notes with the United Kingdom authorities and analyze the results more fully, but it may then be too late to go back to the countries already canvassed, particularly if it had become known by them that the preliminary survey had been concluded.

3. The real test would seem to be whether such countries would be willing to join actively in canvassing other countries during the second phase of the survey. It could prove necessary to proceed with the second phase without the active support of certain countries which might prefer to adopt an attitude similar to that of Norway and the U.S. during the preliminary phase, and it would be difficult to criticize such a position. It would be even more difficult to criticize such countries on the basis of the answers they have given thus far, which, after all, are not too different from our own position, since we also have no wish to become involved in a convention that does not have wide support, and in particular that of the U.S.A. All things considered, it would seem the wiser course to refrain from analyzing too closely the attitude of those countries indicating conditional approval until the London meeting, when a detailed examination can be made. Do you agree?

J.A. BEESLEY

83.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], March 16, 1961

LAW OF THE SEA – PRELIMINARY SURVEY

As you know, we had hoped to complete by the end of February the preliminary confidential survey of the eighteen key countries being canvassed. In setting such an early date we were aware that it might not be possible to meet it, and this has proven to be the case; while the preliminary responses in all quarters have been reasonably favourable, several countries have not yet given us full and definite responses to our representations.

2. We have not yet received a firm answer from the United Kingdom on the possibility of their putting pressure on certain countries for more definite answers, but the preliminary reaction (as reported in telegram 995 of March 14 from London,† a copy of which is attached) indicates that it is unlikely that the United Kingdom will be prepared to do so. It seems possible therefore it could be some time before complete results are obtained, and there is a consequent danger of the survey losing momentum. The question arises as to whether we have obtained sufficient evidence with which to persuade the U.S.A. to join in the survey, or whether we must await fuller results.

3. Although it would be desirable to present the U.S.A. with as much evidence as possible, at the same time certain countries may be reluctant to commit themselves definitely to the convention in the absence of clear indications of U.S. support. I have therefore drafted for your signature, if you agree, a telegram to Canada House† requesting that the approval of the United Kingdom authorities be sought for the fixing of a date sometime during the last week in March on which to make an assessment of the survey results up to that date, with a view to deciding on the nature and timing of the next steps, and in particular, whether there is sufficient evidence for approaching the U.S.A.⁴²

N.A. R[OBERTSON]

84.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], March 25, 1961

LAW OF THE SEA – PRELIMINARY SURVEY

As you know, we have gathered both from reports from Washington and from certain of our missions abroad that the attitude of the State Department to the preliminary survey and to the proposed convention is one of “benevolent neutrality,” or even “benevolent interest,” but in telegram 53 of March 23 from Oslo,† (a copy of which is attached) William C. Herrington, Special Assistant to the Under-Secretary of State is reported as having conveyed in conversations with the Norwegians the “strong impression ... that the U.S.A. attitude was definitely negative.”

2. We know from our experience before and during the two Geneva Conferences on the Law of the Sea that Mr. Herrington is personally opposed to the “six-plus-six” formula and that U.S. support for it was obtained over his opposition, and it would not be surprising therefore to learn that he is not in favour of the proposed convention. In the light of our prior knowledge of

⁴² Note marginale :/Marginal note:
L-93. Signed by SSEA 17/3. R. C[ampbell]
Sent 10:00 17/3. R. C[ampbell]

the position of the State Department it seems rather unlikely that Herrington was accurately reflecting the State Department position in his conversations with the Norwegians, but it would seem desirable to confirm this by making an inquiry in Washington. However, in Mr. Drew's telegram 1091 of March 20† (a copy of which is attached) he suggests that, for reasons he did not go into in his telegram, the utmost caution should be exercised with the U.S.A. until we have a further indication of their intentions. You may consider it advisable therefore to obtain his comments before raising the question in Washington, and I have drafted for your signature, if you agree, a telegram to Mr. Drew requesting his views.⁴³

N.A. R[OBERTSON]

85.

DEA/9456-RW-11-40

*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 1202

London, March 27, 1961

SECRET. CANADIAN EYES ONLY. OPIIMMEDIATE.

Reference: My Tel 1091 Mar 20.†

LAW OF [THE] SEA

Before his departure on Friday Lord Home sent me the following letter.

“I have now had the opportunity to give further thought to the points which you made to me, both orally and in your aide mémoire,† in the course of our conversation on March 20 about the multilateral convention on the Law of [the] Sea.

It is our view that the outcome of the North Sea Conference suggested for next October at Hague, to which you draw attention in your aide-mémoire, need not repeat not be incompatible with the proposed multilateral convention. Nor do we consider that so far as the majority of North Sea countries are concerned, the possibility of such a conference in October need delay them in declaring their attitude in principle to such a convention. I agree, therefore, that there would be advantage in taking steps to encourage them to do so.

As soon as the remaining replies to the preliminary survey have been received it will of course be necessary for Canada and UK, perhaps in conjunction with Norway, to consider in the light of the survey what the next steps should be. UK authorities therefore agree that it would not repeat not be possible to adopt course (b) at this stage and they also share the doubts of Canadian Government about the wisdom of course (a).

As regards the action to be taken in pursuance of course (c), you will remember that as was agreed at the meeting on December 8 the object of the preliminary soundings was not repeat not to seek agreement now to a convention but only to ascertain whether governments would in principle be in favour of the conclusion of such a convention.⁴⁴ It is however true that the answers even to this preliminary survey have in certain cases been only of a tentative nature. Of the countries which you mentioned to me this applies to Portugal, Holland, Denmark and

⁴³ Note marginale :/Marginal note:

Returned to Legal Div at our request since subject matter covered by personal letter from the Minister to Mr Drew. J.A. B[eesley]

⁴⁴ Voir/See Volume 27, document 59.

Italy. I would therefore suggest that the next step would be to make a further approach to these governments to enquire whether they have yet been able to reach a decision of principle.

If you agree to this proposal I would suggest that Canadian representatives should renew representations to Portuguese and Danish authorities, to whom they made the original approach, and in that event UK representatives would similarly approach Netherlands and Italian authorities.”

2. While this letter mentions only Portugal, Holland, Denmark and Italy I had mentioned other European countries with which this subject has been discussed. However it may be best now to agree to this approach immediately so that Canada can renew representations to Portuguese and Danish authorities. Further approaches could then be suggested for early consideration.

3. The fact that Herrington expressed such concern in Oslo to Stabell about the decision of Norwegian Government to establish a six-mile territorial sea on April 1 and a twelve-mile fishing zone on September 1 may suggest we are getting nearer the appropriate time to approach the State Department because of the evidence that unilateral action by some of the most important fishing countries is no repeat no longer merely a threat but in this case a reality.

[G.A.] DREW

86.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], March 30, 1961

LAW OF THE SEA – PRELIMINARY SURVEY

As you will recall, in our telegram L-68 of March 3, † (a copy of which is attached) we requested the United Kingdom views on three possible courses of action for dealing with the effects of the decision of the North Sea countries to hold a further meeting in October, certain of them having given non-committal answers to our representations while awaiting the outcome of these further regional talks. The three courses of action suggested for discussion were:

(a) to keep the preliminary survey open until definite answers had been received from the North Sea countries, (a course we did not recommend);

(b) to go on with the second phase of the survey and treat the North Sea countries as being in favour of it, (a course which we thought possible but probably not the best one in the circumstances); and

(c) to make a strong effort to persuade the North Sea countries to support the convention, (the course of action which we recommended).

2. In telegram 1091 of March 20, † (a copy of which is attached) Mr. Drew reports on the favourable reaction of Lord Home concerning our suggestions, and in his telegram 1202 of March 27, (a copy of which is also attached) repeats the contents of Lord Home's letter to him confirming the agreement of the United Kingdom to make further representations to the Netherlands and Italy and suggesting that we make further representations to Portugal and Denmark.

3. By the time Lord Home's reply had been transmitted to us we had received favourable replies from Portugal and Denmark, and further representations would not therefore seem to be required, at least at this stage. I have therefore drafted for your signature,† if you agree, a telegram to Mr. Drew so informing him and asking that he pass on this information to Lord Home.⁴⁵

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

87.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], April 4, 1961

LAW OF THE SEA: PRELIMINARY SURVEY

In Mr. Drew's telegram 1275 of April 4† (a copy of which is attached) he suggested that Lord Home be urged to raise with Mr. Rusk during his discussions with him today the question of the proposed multilateral convention on the territorial sea and contiguous fishing zone based on the Canada-U.S. "six-plus-six" Geneva Formula, and to endeavour to persuade Mr. Rusk of the urgency of joint action at the earliest possible date to establish such a convention. Although on the face of it this would seem to be a useful suggestion there are a number of reasons against adopting it, the chief of which are:

- (1) We expect to be raising with the U.S. authorities very shortly the question of their support for the proposed convention, and it might be premature to do so at this stage, since
 - (a) we have not yet completed an assessment, in conjunction with the United Kingdom, of the results of the preliminary survey, which we think would be of considerable assistance in obtaining U.S. support, and
 - (b) we understand that the State Department legal adviser recently assigned the task of studying the proposed multilateral convention has not yet completed his studies;
- (2) The question of unilateral action is, on the instructions of Cabinet, still under study, and
 - (a) the full implications of unilateral action, including the possible effect on Canada's trade relations with the United Kingdom and the U.S.A. and the general context of our relations with these countries and with others, have not yet been fully assessed;
 - (b) it would in any event seem to require Cabinet authority before the possibility of unilateral action could be mentioned to the United Kingdom or to the U.S.A.

⁴⁵ Notes marginales :/Marginal notes:

Minister absent from Ottawa Mar. 30-Apr. 6. [M.M.]

L-206. Signed by SSEA 6/4. R. C[ampbell]

Sent 12.30 p.m. 7/4 (with minor changes to bring telegram up-to-date). M.M.

2. The subject has been discussed with our Minister by telephone, and he has instructed that a reply be sent to Mr. Drew along the lines of the attached telegram, subject to your concurrence.⁴⁶

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

88.

DEA/9456-RW-11-40

*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 L-227

Ottawa, April 11, 1961

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Our Tels. L-206 of March 30† and L-226 of April 11.†

Repeat for Information: DND (JAG & DNPO)

LAW OF THE SEA

We have made a tentative assessment of the results of the preliminary survey to date on the basis of the information in our possession. Although certain countries have not yet given full and definite responses, the preliminary responses from all quarters are in our opinion reasonably favourable. This assessment is subject to such further information as may be obtained before your discussions with the U.K. authorities, but with that proviso our conclusions are as follows.

2. The replies from Australia, New Zealand, Portugal, Ireland, Spain, Switzerland and Greece have indicated definite support at a governmental level. Those from South Africa and Italy are still incomplete, but the initial reaction at the official level, with some ministries still to be heard from is favourable, with the exception, in the case of Italy, of the Ministry of Merchant Marine, which has some doubts. The response from Germany, while initially unfavourable, has been considerably modified, and Germany has indicated a willingness to sign the convention provided a substantial majority of European nations do so, and provided also perhaps, that some 12-mile states could be lined up. The official level response from Israel is similarly favourable in principle, but dependent upon the degree of support from other countries, particularly the Mediterranean states. The attitude of the Netherlands is "cautiously favourable," or one of probable support provided a regional agreement giving access to U.K. fishing grounds can be worked out. Denmark has indicated approval in principle of the proposed convention, subject to recognition of such agreements as the Danish Government may conclude concerning the phasing-out period for Greenland waters and scope of fishing rights during that period, and to a special arrangement being concluded between Denmark and the U.K. concerning the Faroes Islands. Pakistan and Turkey have both indicated indecision due to special problems, but our most recent information suggests that Pakistan would not be opposed to the convention if it appears to be the best arrangement attainable, while Turkey might give qualified support dependant upon the possible incompatibility of proposed Turkish reciprocity legislation and the inclusion or otherwise of the Brazilian amendment. The official

⁴⁶ Note marginale :/Marginal note:

P.M. concurs telegram sent April 5. H.B. R[obinson]

level reply from Japan, while initially unfavourable, is now one of approval in principle, the ultimate decision depending upon the number of other signatories, especially Asian, and the non-inclusion of the Brazilian amendment. Sweden has expressed reservations and is not at this stage prepared to undertake any commitment, but its official (i.e. final) position would be influenced by the number of other signatories, particularly major fishing and shipping nations. Thailand is hesitant to commit herself to a multilateral convention of possible advantage mainly to large Maritime nations and thereby isolate herself from other "small coastal states" in the area, but is still considering the proposal. In addition to the countries which have been canvassed the positions of France and Belgium are assumed to be similar to that of the Netherlands, while Norway can be expected to support the convention. Copies of all the material on which the foregoing is based have been forwarded to you.

3. Assuming that the U.K. assessment is similar to ours, then the results would seem to be as favourable, if not more so, than we had hoped for, and there would seem to be no reason why we should not now make a joint approach with the U.K. to the U.S.A. authorities and request their active support for the next phase of the survey. The actual timing of the approach is a matter which should be discussed with the U.K. authorities, but we would assume that they would agree that the approach should be made later this month.

4. There are several questions on which an agreed approach should be worked out with the U.K. prior to speaking to the State Department. One of the most important of these is whether we should attempt to canvass all the countries represented at the last Law of the Sea Conference, plus those countries which have achieved statehood since, or whether we should restrict our approaches to likely supporters. The answer to this would seem to depend to a large extent on whether the next phase should be kept confidential. Since it is still too soon to be certain of our objective, (i.e. enough support quantitatively to open the proposed multilateral convention for signature), it seems better to maintain the confidential character of the canvass during the second phase also. Both the U.S.A. and a number of the countries to be approached may find it easier to indicate support for the scheme if it is clearly understood that they are not committed should it transpire that the multilateral approach has to be given up. There is also the point that abandonment of the scheme if it were publicly undertaken would weaken the significance of the Geneva vote on the Canada-U.S. proposal. Finally, there are the views of the eighteen countries already canvassed to be considered; presumably they would not want their views made generally known. These considerations would seem to rule out including possible opponents. What we envisage therefore is that the U.K., Canada, the U.S.A. and such countries as have already indicated a willingness in principle to sign a multilateral convention should either individually or collectively, as may be agreed, approach another group of some 25-30 countries who may be expected to react favourably. By an agreed date, the results of this second stage in the canvas would be reviewed and a decision could then be made whether further efforts should be undertaken, or the whole scheme dropped for lack of sufficient support. In making this final decision, it will of course be necessary to balance the risks in eliciting a reaction from the 12-milers against the possibility of attracting countries which had been hesitant until the end, or which had not been approached, which might be prepared to join the "club" later on.

5. We expect that U.S.A. influence may be decisive, particularly as regards Western Europeans and Latin America. We assume that, should they join the exercise, the role of the U.K. and Canada as regards these areas will be mainly in support. France, if she could be persuaded to support the scheme would, we expect, have considerable influence on a number of African countries. U.K. and Canada would then concentrate their efforts on Commonwealth countries and on isolated potential supporters in other parts of the world.

6. Another question requiring consideration is whether some or all of the eighteen countries which have been canvassed should be asked to lend their active assistance during the second phase of the survey. Our initial view is that such countries as France and Thailand, assuming their active support could be obtained with U.S. assistance, and Australia could give us considerable assistance, while it would be inadvisable to request such support from such lukewarm countries as the Netherlands and Sweden. We see no particular disadvantages of being selective as to potential canvassers, although we could see some disadvantages in having nearly but not quite all of the countries already canvassed joining in with us. Since the support of all would in any event be implicit, we think it would be advisable for the sake of simplicity of operations to restrict the numbers of canvassing countries to six or seven.

7. Another question to be decided is the position we should take concerning the Brazilian amendment. It would be unrealistic to include some of the Latin Americans in the next phase of the survey, as we assume is the intention, while hoping that they would not raise the question of the Brazilian amendment. (Thus far only Australia, Turkey and Japan have inquired concerning the amendment, but the support of Turkey is partly conditional upon it, and that of Japan almost entirely so.) In our view the only sensible course we can follow is to continue to give the same kind of answers as have been given thus far to the initial eighteen countries, and to defer final determination of this question until a later stage. A decision either for or against the amendment is bound to involve the loss of some potential signatories. It will be a question of determining which is the least expensive course.

8. The question also arises as to what should be said to countries we have already approached and what should be said to France in particular. We would assume, if the U.K. generally agrees with the assessment given in paragraph 2 above, that this information could be passed on to the other countries in question. Furthermore, if we agree to approach the U.S. we might also give these countries the main elements of our proposal to the U.S.A. This may invoke an element of pressure on the U.S.A. and may therefore require careful consideration as to presentation and timing. We do not see however, in view of our commitments to these countries that we can withhold this information. Our inclination is to think that we should move simultaneously in Washington and in the various other capitals involved and stress the confidential character of the material. We would not wish, at least initially, to encourage representations on the part of these countries while the U.S. were considering our assessment and proposals. As to France, we think that the U.K. might simply indicate in general terms that the results of the first phase are positive and that the next step is being discussed with the U.S.A.

9. As to the possible inclusion of Norway in the discussions, in our view Norway should not be invited to the next round of talks in London and later in Washington. The Norwegians have not assisted in the first phase of the survey and they have put themselves in the position merely of the other countries which have been approached so far and have given a favourable reaction. In principle they may well be informed of the results achieved so far and, if the U.S. joins us we should consider whether Norwegian assistance might not be enlisted when we approach certain countries. There is also (for your private information) the point that Stabell is unusually pessimistic and difficult in negotiations and Norway's recent record may not be an unqualified asset in approaching another group of countries which it is hoped to discourage from taking unilateral action.

10. We will also have to discuss of course the question of how many supporters will be required to warrant opening the convention for signature. We have adopted the functional approach all along, considering that if the convention could bring together the most important shipping and fishing countries this would be sufficient; such a line-up would be bound in turn to attract increasing support by its own weight of usefulness. There are others who have expressed agreement with this basic approach but, like the U.K., have emphasized the

importance of broad geographical distribution, partly for strategic reasons and partly out of concern for a possible opposing 12-mile multilateral arrangement which, if it secured numerically more support than the six-plus-six convention, would leave us in a worse position than we are now in. For this reason varying figures have been advanced as the required number, such as 45, 50, 55 and this argument about numbers in turn has an effect on the purpose and shape of the exercise. It seems clear that if a minimum number of say, fifty, is considered to be essential, not only must the canvass remain confidential until this target is in sight, but the whole scheme may be compromised if it falls short of the agreed figure.

11. It seems to us that it may be wise not to get into an argument at this stage as to what should be the magical number. We are inclined to think that it may be better to persuade the U.S. to join us in the second stage, in an effort to approach and persuade as many countries as possible. By an agreed date, we could review the results of our individual and joint efforts and determine what the next step should be. If we could line up say 40 countries, including all the key countries from the functional point of view, and achieve a reasonable geographical distribution, this would be preferable to a group of, say 50 but badly distributed, not including important fishing or shipping countries, and numbering such entities as Monaco, the Vatican, etc. The ideal would of course be to have the requisite number both as to distribution and importance, and the next phase of the survey should be devised with this in mind. It may be useful to have some tentative figure in mind as a provisional goal to be assigned to this second stage, but we would very much hope that the U.K. would agree that we would suggest to the U.S. the more flexible and tentative formula outlined above rather than proceed on the basis of an arbitrary and possibly dangerous set figure as our target. The main object at this time should be to obtain more supporters. We can always decide later whether we have enough to open the convention for signature.

12. Finally, the question arises as to which countries should be approached, and by whom. We think it might be good tactics to present the State Department with a concrete plan of action, including the names of those countries we should like them to approach, should they be prepared to join us in this operation. It would be made clear of course that such suggestions were being raised merely for consideration by the State Department, and that their support for the convention and assistance in the survey would be in no way tied to the particular plan of action. Such a procedure might lessen the delay which could result from the three-way discussions otherwise required and would, we think, be more persuasive, than a mere request for support. The list of countries which we would put forth for consideration by the U.K., and subsequently, if they agree, by the U.S.A., is as follows:

Austria (USA),	Belgium (USA),	Bolivia (USA)
Brazil (USA)	Ceylon (UK & Canada)	China (USA)
Columbia (USA & Canada)	Cyprus (UK & Canada)	France (USA)
Guatemala (USA)	Haiti (USA)	Holy See (USA & Italy)
Honduras (USA)	Iceland (UK & USA)	Jordan (UK & USA)
Korea (USA)	Lebanon (USA)	Liberia (USA)
Luxembourg (USA)	Monaco (France)	Nigeria (UK & Canada)
Paraguay (USA)	Philippines (Australia & USA)	San Marino (Italy)
Tunisia (USA & UK)	Uruguay (USA)	Vietnam (USA)

In addition to the foregoing consideration can be given later to approaches involving the Casablanca states, assuming French support can be obtained and possibly Ghana. It seems from an examination of this list, (and this is why we think it may be advantageous to present it to the U.S.A.) that the support of approximately half of these countries could be fairly easily obtained with U.S.A. assistance. This would mean in effect that if a figure of approximately 44 or 45 is used as the target then we have already obtained support in principle of varying

degrees from nearly half of the required number, and with U.S.A. assistance that of a further quarter can be assumed. The question to be decided by the U.S.A. therefore is whether it would be worthwhile to try and obtain the support of the remaining few countries required. Put in these concrete terms the State Department might find our representations more persuasive than if they are made only in general terms. In any case the list would be reviewed during the tripartite U.K.-U.S.A.-Canada talks.

[H.C.] GREEN

89.

DEA/10600-S-40

*Le haut-commissaire au Royaume-Uni
à l'ambassadeur en Suisse*
*High Commissioner in United Kingdom
to Ambassador in Switzerland*

TELEGRAM 1764

London, May 12, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 1759 May 12. †

Repeat for Information: Washington, External (OpImmediate).

For Minister

LAW OF THE SEA

The text of the Memorandum of Agreement is as follows:

“CANADIAN-UK SURVEY FOR A MULTILATERAL CONVENTION

On May 2, a meeting was held at Foreign Office between UK and Canadian officials to discuss future policy following the conclusion of the first phase of Canadian-UK survey of the prospects of support for a multilateral convention on the Law of the Sea. The following conclusions were reached for submission to the two governments as agreed recommendations:

(1) UK and Canadian assessments of the results of the preliminary survey coincided in all important respects. It was recognized that if USA support could be obtained for the project, most of the implicit or explicit reservations made by some of the countries so far approached would tend to disappear.

(2) Both UK and Canada regarded the results of the preliminary survey as sufficiently encouraging to warrant making an approach to USA with a view to enlisting their support for a survey of a further selection of countries. It was considered that USA participation was essential to the continuation and success of the project.

(3) The approach to USA authorities would be made initially by Canada and would be supported by UK. This would be done as soon as possible, privately and quietly, by the ambassadors of the two countries at a time to be decided on the spot. The instructions to the ambassadors would be drafted by Canada, jointly agreed, and locally coordinated.

(4) Immediately the approach to USA has been confirmed, the 18 countries included in the preliminary survey would be informed in broad terms that the results were sufficiently encouraging to justify an approach being made to USA, and that UK and Canada were proceeding accordingly. At the same time UK would inform France and Belgium in similar terms. In all cases the need for secrecy should be stressed. Norway should also be informed at the same time and not repeat not earlier than the 18 countries above referred to.

(5) In giving Norwegian authorities the results of the preliminary survey, UK authorities might, at their discretion, give a numerical breakdown of the main trends revealed, but without mentioning names of the countries concerned, and express the hope that, should USA react positively to Canadian-UK approach, Norway might be prepared to reconsider its position and be willing to take an active part in the second phase of the survey.

(6) With a view to enlisting their support, USA authorities would be given full details of the survey. A concrete plan of action for the second phase would at the same time be suggested to them. Such a plan would be presented merely for consideration by USA, but it would also serve to illustrate and emphasize the merits and practicability of the whole scheme.

(7) The method of conducting the second phase of the survey and the final selection of countries to be approached would be discussed and agreed between UK, Canada and USA. The list of countries that would initially be suggested to USA for inclusion in the second phase of the survey is reproduced in annex. The second phase of the survey would be conducted by USA, UK and Canada jointly, possibly with the assistance of additional countries as might be desirable in certain cases.

(8) It would be suggested to USA that France should not repeat not be approached until the second phase of the survey had proceeded some distance and a sufficiently impressive amount of support had already been gathered.

(9) The governments to be approached in the second phase of the survey would, as was done in the first phase, simply be asked whether they would in principle favour the conclusion of a multilateral convention based on Geneva formula. Note would be taken of any comments made in respect of the so-called Brazilian amendment. The question of whether Brazilian amendment should be retained or discarded would be decided at a later stage in the light of the balance of advantages and disadvantages involved. It would be for consideration, in this connection, whether Argentina, Brazil, Uruguay and Iceland, which are known to be in favour of Brazilian amendment, should be approached in the second phase of the survey or later.

(10) The final decision concerning the desirability of opening a convention for signature would depend upon the importance (from a shipping and fishing point of view), the number and geographical distribution of the states prepared to accept it. It was recognized that the number should be such as to confer some status in international law to the convention and discourage the conclusion of "rump" conventions in competition with it. The sponsors would, however, adopt a flexible attitude to this question and reserve their final decision until the results of the survey had been ascertained.

Following is annex of countries to be approached in second phase of survey:

Argentina (USA)	Austria (USA)	Belgium (USA)
Bolivia (USA)	Brazil (USA)	Ceylon (UK & Canada)
China (USA)	Colombia (USA & Canada)	Costa Rica (USA)
Cyprus (UK & Canada)	Dominican Republic (USA)	France (USA)
Guatemala (USA)	Haiti (USA)	Holy See (USA & Italy)
Honduras (USA)	Iceland (USA & Canada)	Jordan (UK & USA)
Korea (USA)	Lebanon (USA)	Liberia (USA)
Luxembourg (USA)	Monaco (France)	Nicaragua (USA)
Nigeria (UK & Canada)	Paraguay (USA)	Philippines (Australia & USA)
San Marino (Italy)	Tunisia (USA & UK)	Uruguay (USA)
Vietnam (USA).		

90.

DEA/10600-S-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 1563

Washington, May 15, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 1550 May 13.†

Repeat for Information: London, Geneva (for the Minister) (OpImmediate).

LAW OF THE SEA

I was able to see the Acting Secretary of State (Bowles) this evening. With him was Yingling, Assistant Legal Adviser, who is responsible for Law of the Sea matters. Because of the urgency and importance which we attach to this question, I had a copy of the aide mémoire which I left with Bowles'† passed on to Yingling earlier in the day. I also had a preliminary talk with Yingling before seeing Bowles.

2. In my talk with Bowles I did not repeat not go into the details of the agreed Canada-UK approach but suggested that if there were any elucidations required I would be glad to have further discussions arranged with Yingling. Meanwhile I contented myself with a brief outline of the background of the Canada-USA Geneva formula and of the joint UK-Canada canvass from which we had concluded that the portents for a convention were encouraging. However, if the scheme for a convention were to have any chance of success, USA participation was now essential. I went on to say that we hoped very much that USA would be able to join UK and ourselves in a second phase of the canvass and that to facilitate this we had set out some suggestions for a proposed plan of action, assuming USA support. We also proposed three way talks be held as soon as possible to discuss the timing and nature of the next step of the canvass.

3. I pointed out that not repeat not only would a convention have the advantages which were outlined in the aide mémoire, perhaps one of the most important of which was helping to curb the drift to the twelve mile territorial sea, but that it would also make unnecessary unilateral action on the extension of fishing limits which could generate disharmony among friendly countries. I recalled that during the debate in the House of Commons on the Fisheries Act on May 2 there had been expressed sentiments in favour of Canada taking unilateral action to extend its fisheries limit in the light of the failure of the Geneva Conference and assuming there were no repeat no convention which might capitalize on the wide measure of agreement obtained at Geneva. I said that not repeat not only in the interests of international relations generally but also in the interests of Canada-USA bilateral relations, building on the agreement already reached was important to all of us.

4. The Acting Secretary who, is not repeat not of course familiar with the details of this question, expressed his interest in our proposal and undertook to have USA position reconsidered actively and to let us know the results of their reconsideration as soon as possible.

5. Incidentally UK Embassy will follow up our approach with Yingling tomorrow morning, May 16. It will apparently not repeat not be convenient for UK Ambassador to see Bowles. However we suggested that it would be helpful, in the interests of persuading USA to join in the survey, if Caccia could take an early opportunity of mentioning UK interest in the success of this project and their hope of USA active participation, either to Secretary Rusk on his return to Washington or to Acting Secretary Bowles.

[A.D.P.] HEENEY

91.

DEA/10600-S-40

*L'ambassadeur aux Pays-Bas
au secrétaire d'État aux Affaires extérieures
Ambassador in The Netherlands
to Secretary of State for External Affairs*

TELEGRAM 200

The Hague, May 17, 1961

SECRET. CANADIAN EYES ONLY.

Reference: Your Tel 263 May 16.†

Repeat for Information: London, DND (JAG and DNPO) Ottawa from Ottawa.

LAW OF [THE] SEA

Instructions received by UK Embassy which will be making approach to Foreign Ministry here were less comprehensive than those contained in reference telegram. UK Embassy was not repeat not authorized to say that Norway, France and Belgium were being informed of approach to USA and was not repeat not instructed to request permission to pass on to other countries in preliminary survey information on Netherland's attitude reported in paragraph 3 of your letter L-134 April 28. After being informed of our instructions, UK Embassy said it probably would seek additional instructions from Foreign Office before approaching Foreign Ministry here.

92.

DEA/10600-S-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 L-269

Ottawa, May 18, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 1824 May 17.†

Repeat for Information: Hague, Washington, DND (JAG and DNPO).

LAW OF [THE] SEA

We anticipate further inquiries similar to that contained in Hague telegram 200 May 17 as a result of differences between our instructions and those of UK to our respective missions in countries canvassed. As you know, it is our view that countries canvassed could be treated as having implicitly agreed by their participation in survey to their position being made known to other countries canvassed, and we were prepared therefore to pass on this information in limited terms to each of them. As a result of discussions with UK officials however it was

decided that this could not repeat not be done without permission first having been obtained. We have therefore instructed our missions to obtain this permission. (Our letter of provisional instructions of April 28† as amended by our telegram 263 May 16).‡ Our reasons for doing so are as follows.

(a) We think that it is at this point – before a USA decision is made – that countries concerned will be particularly interested in knowing results of survey. Should USA say no repeat no to operation, then they will have little reason to care about positions of one another, while if USA should say yes: then information will be of secondary interest. Now is the time when they will be interested in it, and the time when they have been led to expect it.

(b) Each of countries concerned has made a difficult decision in making its confidential position known to us, and in so doing is, we think, entitled to something in return. We do not repeat not consider that it would be fair to them, nor desirable tactics, in terms of future co-operation in this field, to hold back real information, thereby implying that they could not repeat not be trusted with it, while making it evident that we are using it in our discussions with USA. Moreover, our missions would be embarrassed if they were not repeat not permitted to pass on results of survey in face of definite requests for it from certain countries (such as Italy, Japan and Israel) while having no repeat no sensible reason to give for not repeat not being able to do so. In requesting permission to pass on this information they are not repeat not only giving a reasonable answer to possible inquiries but are taking the operation a stage further.

(c) Should countries concerned be told of results of survey now they might well wish to supplement our representations to USA, if they are genuinely interested in signing proposed convention, whereas they are hardly in a position to do so merely on basis of information that we and UK have considered that results warrant such action on our part. We would have no repeat no objections to other countries doing so; danger of leaks could be guarded against and possible results would be worth risks.

(d) We do not repeat not have communication facilities of UK, and we have therefore taken advantage of delays in decisions by UK, both in our original instructions and those on this point, by sending out our instructions ahead of time by bag in somewhat fuller form than could have been done by telegram (and subsequently confirming them, subject to necessary amendments, by telegram) so as to eliminate as much as possible necessity for later inquiries.

2. We have not repeat not felt it proper to comment at any stage on UK instructions to their mission, although, as you know, UK has not repeat not had similar inhibitions. We feel however that in this case the question is sufficiently important that you should raise it informally with UK officials, so as to give them an opportunity to have their instructions conform more closely to ours, and thereby avoid difficulty mentioned by Sarell of having a certain amount of confusion and misunderstanding develop, particularly since our requests for permission to circulate results are only being made in those countries where we are one of sounding countries.

[N.A.] ROBERTSON

93.

DEA/10600-S-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 1880

London, May 23, 1961

SECRET. CANADIAN EYES ONLY. EMERGENCY.

For Under-Secretary

Reference: Your Tel L-270 May 19.†

LAW OF [THE] SEA

Informed today Foreign Office greatly upset by different instructions sent to missions accredited to 18 countries included in preliminary survey.

2. Am unable [to] reassure them. On the contrary am personally greatly disturbed by your reference telegram.

3. After several telegrams and two phone calls memorandum of recommendations approved by the officials of both governments was forwarded to Ottawa on May 10.

4. I had been urged to press for earliest possible approval by UK Government in view of impending arrival in Ottawa of President of USA. As a result of my emphasis on importance of early decision, UK Government approved of Memorandum of Understanding between officials and the instructions to ambassadors as amended by our telegram 1752 May 11.†

5. I submit that the decision of Canadian Government to act upon that message and approach USA authorities on Monday May 15 could only be interpreted as unqualified acceptance of the same Memorandum of Understanding between officials and the instructions to ambassadors which had been the condition of approval by UK Government. Otherwise we were in fact acting without their approval.

6. We have had most satisfactory relations with UK Government and officials since initiation of these discussions, and am greatly concerned about effect of action taken upon basis of agreement which was clearly subject to explicit conditions covered by my telegram 1766 May 12† unless we are prepared to accept same conditions.

7. Hope this will be reconsidered immediately and that further approaches may be made on basis of agreed instructions. If that is not repeat not the decision then I suggest immediate instructions should be sent to Canadian missions to take no repeat no further action until new directions can be sent. As for pressing for reply would welcome information at earliest convenience.

[G.A.] DREW

94.

DEA/10600-S-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 1894

London, May 24, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

For Under-Secretary

Reference: Your Tel L-276 May 23.†

LAW OF [THE] SEA

As I am reporting on discussions with Sarell today, as suggested in your reference telegram, I shall not repeat not mention in detail points raised in the early part of your reference telegram. However, I do wish to make it clear there has been no repeat no attempt by UK to control our instructions to Washington or our missions in countries canvassed as suggested in paragraph 5.

2. Since beginning of these discussions several months ago Canadian and UK officials have had most cordial relationship and have sought in every way possible to assure uniform action in carrying forward the plans upon which both governments were agreed. When a copy of the instructions to be sent to UK missions was forwarded to Ottawa, this was done with the thought that if there were any difference of opinion those differences might be reconciled before further action was taken. Concern expressed yesterday by UK Government was because of queries they were receiving as a result of the difference in the two sets of instructions.

3. There is no repeat no evidence whatever of any reluctance on the part of UK to cooperate in every way. On the contrary they acted very promptly when we indicated to them the need for an early decision the week before last. At a time when they were under extremely heavy pressure, I do wish to emphasize that ministers and officials showed the utmost desire to obtain a favourable decision from UK Government as quickly as possible.

4. As Sarell was senior official available today points raised by your reference telegram were taken up with him as suggested.

5. Sarell explained that their concern had been based upon the fact that the instructions given to Canadian missions were more comprehensive than those given to UK missions in three main respects. More specifically, Canadian missions were asked:

(a) To seek permission from the governments to which they are accredited to pass on to the other 17 countries canvassed information on the attitude which they have taken during the preliminary survey.

(b) To inform them in some detail of the plan of action which UK and Canada had submitted to USA for the second phase of the survey.

(c) To enquire as to whether they would have any objection to their attitude on the proposed convention being passed on to any of countries to be approached in the second phase of the survey.

6. Sarell was reticent in responding to our efforts to obtain reasons why UK thought it desirable to limit the information given to the 18 at this stage. He merely reaffirmed that in the opinion of UK the action we are taking is "premature and tactically unwise." This referred particularly to Canadian decision to divulge to the 18 the plan of action submitted to USA for consideration. Nevertheless he said that what had been done had been done, and UK

authorities would now re-examine the situation to see what could be done to bring their instructions more closely in line with ours. Sarell conceded that in the end UK fears, which he did not repeat not further define, might well prove to have been groundless.

7. Sarell seemed to be particularly concerned about the fact that we should be giving as much information as we are to Sweden, as they are known to be rather lukewarm to our plan. He thought that it would be necessary for UK to supplement the rather limited information which they had already given to Norway as the latter was bound to hear from Sweden in due course.

8. We reminded Sarell that he had indicated to us at an earlier stage that it would be necessary for Foreign Office to obtain further ministerial approval before supplementary instructions similar to Canadian instructions could be sent to UK missions concerned. Sarell thought that as far as Foreign Office is concerned a further ministerial decision may not repeat not be necessary. He could not repeat not assure us, however, that the other ministries concerned, and particularly the Ministry of Agriculture, Fisheries and Food, would necessarily take the same view. Sarell conceded that this question is largely one of interpretation of paragraph 4 of the memorandum of agreement, involving procedure rather than substance.

9. Sarell undertook to consult the other ministries concerned immediately and to let us know as soon as possible what further action UK may now be able to take.

[G.A.] DREW

95.

DEA/9456-RW-11-40

*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. CANADIAN EYES ONLY.

[Ottawa], May 29, 1961

LAW OF THE SEA; PROPOSED MULTILATERAL CONVENTION

The attached telegram 1927 of May 26 from London† reports that the French have decided to support the proposed convention and wish to join in the next stage of the survey. As you know, we had assumed on the basis of the French reactions to date that they would be among the most difficult to persuade, and this change in the French position is therefore an extremely favourable development.

2. The importance of French support goes beyond the mere increase in the number of potential signatories. Last fall, when we were endeavouring to persuade the U.S.A. to join us in this operation, French support was made a virtual precondition to obtaining that of the U.S.A., and the preliminary survey was designed in large part as an alternative method of bringing in the U.S.A. The encouraging results of the preliminary survey, coupled now with the news of French support, should have very favourable effects on the U.S.A.

3. Apart from their potential influence upon the U.S.A. the French could also prove very helpful with several European countries, and, equally important, with some of the French-African states. It would not in fact be going too far to say that the support of France added to that of the U.S.A. could assure the success of the convention.

4. The French have attached certain conditions to their support, one of which is that the proposed convention shall not effect conventions or other international agreements already in force as between parties to them or preclude the conclusion of bilateral or multilateral agreements for the purpose of regulating matters of fishing.

5. The first part of this reservation (existing agreements to remain in effect) has a direct implication for Canada in the light of Canada's fishing treaty obligations to France, but the provision is in any event merely a restatement of the law since we would in any event be bound by pre-existing treaties. The proposed convention would however raise certain questions which would require renegotiation with the French, such as whether or not the French rights to fish within Canada's territorial waters off Newfoundland shores would extend over the whole new six-mile territorial waters belt or only over the three-mile belt closest to shore. It would be necessary to point this out to the French in due course, but this would not require our non-acceptance of the French stipulation on this point.

6. Perhaps more important, particularly for the United Kingdom is the second part of this reservation, (the right to conclude bilateral or multilateral agreements on fishing) coupled with the suggestion that France would not wish to sign the proposed convention until a regional North Sea fisheries agreement had been concluded. The United Kingdom may choose to regard the proposed North Sea discussions at The Hague as supplementary to the proposed convention and intended to cover chiefly conservation measures and various technical matters, but the French no doubt intend to try and extract fisheries concessions from the United Kingdom at The Hague as a precondition to signing the convention.

7. The effect of the second reservation concerning the possible extension of the tapering-off-period remains to be seen, but both the French and the United Kingdom have chosen, at least at this stage, not to emphasize the importance of this condition.

8. It may be said therefore that while the French reservations suggest the possibility of difficult negotiations for the United Kingdom and, to a lesser extent, for Canada, they do not outweigh the benefits of obtaining French support for the proposed convention.

9. I have therefore drafted for your signature if you agree, a telegram to London† stressing the importance with which we regard this development, suggesting that the United Kingdom Embassy in Washington pass on the news to the U.S.A. as soon as possible, proposing that the French be included in four-way talks if the U.S.A. agrees to support the proposed convention, and raising also certain other questions partly connected with the French decision.⁴⁷

N.A. R[OBERTSON]

96.

DEA/10600-S-40

Projet de Note
Draft Memorandum

SECRET. CANADIAN EYES ONLY.

[Ottawa], June 1, 1961

POSSIBLE CONSEQUENCES, IN TERMS OF CANADA-UNITED STATES TRADE RELATIONS,
OF A UNILATERAL EXTENSION BY CANADA OF TERRITORIAL WATERS
AND CONTIGUOUS FISHING ZONE

In considering the possible economic consequences of a unilateral extension, without prior bilateral negotiations between Canada and the United States, of Canadian territorial waters and contiguous zone, it should not necessarily be assumed that the only consequences would be the possible effects on the Canadian fishing industry arising out of the obvious *quid pro quo* in the case of the United States in the connection between fishing rights and markets. (This

⁴⁷ Note marginale :/Marginal note:
Sent 30.5.61. [Auteur inconnu/Author unknown]

connection has been made, however, in the disputes between the United Kingdom and Iceland and in the negotiations between the United Kingdom and Norway.)

2. Although it is probably unrealistic to envisage direct retaliation by the United States, it is likely that unpalatable consequences for Canada wider than those relating to the Canadian fisheries market in the U.S.A. might ensue. The most serious foreseeable result could take place with respect to United States trade agreements legislation which is vital to us since in the absence of such legislation (by which Congress delegates certain specified tariff-modifying powers to the President) it would be almost impossible in future for us to bring about reductions in the level of the United States tariff or to benefit from negotiated reductions in favour of other countries.

3. The present Trade Agreement Extension Act expires on June 30, 1962. On previous occasions when this legislation (originally adopted in 1934) was presented for renewal Congressional approval was granted only grudgingly and there is good reason to believe that the forthcoming battle for renewal will be even closer. Protectionist pressures in Washington are very strong now; on the other hand the Kennedy Administration has been seeking to resist these pressures and to encourage solutions more compatible with United States international obligations. Since the vote in Congress is expected in any case to be close, the approach taken by New England and the West Coast representatives could be decisive. An extension of our territorial waters and exclusive fishing zone, which could be interpreted as adversely affecting the ability of New England and United States Pacific Coast fishermen to earn a livelihood, might influence the large number of representatives which these areas send to Congress to vote against the Trade Agreement Extension Act. This would mean that for an indefinite period the Administration would be without authority to negotiate United States tariff reductions.

4. If our action were to result in impairment of Canadian access to the United States market for fishery products, the economic consequences could be serious and geographically widespread. Our exports of fishery products to the United States have an annual value of some \$100 million, and represent 50 per cent of total Canadian production. This market is vital to the fishing industries of the Atlantic Coast and inland provinces, as well as to the halibut fishery of British Columbia. The loss of any significant part of it would seriously affect employment and income in these areas.

5. From the economic point of view the advantage to our fishing communities of extending our territorial sea and fishing zone is difficult to evaluate but the most careful estimates available suggest that it is not substantial. Clearly enough though, if the increased catches which could result were not marketable at remunerative prices (because of United States reaction to our move) our fishermen would realize no benefit, and might well suffer a worsening of their economic position.

6. The reaction of the U.S.A. of unilateral extension not proceeded by negotiation might take one or more of three forms:

- (i) Withdrawal, by the Administration, of tariff concessions or the imposition of quotas on fisheries items which have been negotiated with Canada.
- (ii) Tightening up, or more stringent application of the Food and Drug Regulations, a measure which would have particular significance for Canada's inland fisheries.
- (iii) Legislative action by Congress.

7. While the possibility of the Administration taking action along the lines set out in (i) and (ii) cannot be completely discounted, it is likely that the President and his advisers would be restrained by their estimate of the effect that such action would have on their general relations with Canada, and on the United States' future ability to play an effective role as the responsible leader of the Western Alliance.

8. Congress, on the other hand, is less likely to be inhibited by such considerations and it is in the area of Congressional action that the greatest danger would lie. More specifically, the risk would be that Congress, out of sympathy with the United States fisheries interests affected by our action would provide those interests with the restrictive legislation they have been seeking for some years now. This could place in jeopardy some very important segments of our trade in fisheries products. To cite a few examples: our valuable trade in lobster would have been seriously curtailed if Congress had adopted a bill which has been put forward by Maine interests; in 1958 a bill was introduced into both Houses (Senator J.F. Kennedy was one of the co-sponsors of the Senate bill) which would have had the effect of increasing the tariff on fish blocks from 1¢ to 2½¢ per pound; United States producers of fish meal and solubles have been vocal in their demands for increased protection; representatives of the New England ground fishery have been persistent in their efforts to obtain increased protection from import competition. While very few of these efforts to restrict the United States market have succeeded in the past, any measure which antagonized New England and Pacific Coast public opinion would increase the probability that Congress would look at future efforts more sympathetically.

9. Quite apart from the field of fishery products, bills are continuously introduced before Congress which, if enacted, would prejudice our access to the United States market for one product or another. The great bulk of these bills either are not reported out of committee or, if they reach the floor of Congress, are talked out. To provide the politically-active fishing industry of the United States with a grievance, real or imagined, would be to raise the possibility that Congress would enact more of these restrictive bills into law.

10. However, if Canadian action were to be preceded by substantive negotiations with the United States, the forces within the United States which are favourable to imports from Canada could be brought into play. These forces include: importers who depend on Canadian supplies; United States fishing companies which have large investments in Canada; and important segments of the Administration. The influence of these groups could have a valuable tempering effect on Congressional reaction to the Canadian move.

Conclusions

11. In terms of Canada-United States trade relations the most probable, and potentially most damaging, consequences to Canadian interests of a unilateral extension (without prior bilateral negotiations between Canada and the United States) of Canadian territorial waters and contiguous fishing zone would result from adverse Congressional reaction which would take the form of specific legislation designed to restrict the United States market for fish (and other products) as well as modification of United States trade agreements legislation. Action by the Administration through withdrawal of tariff concessions or application of quotes cannot be completely ruled out, but this would seem to be less likely.

12. In the area of restrictive legislation aimed at particular products any action by us which could be construed as harmful to New England and Pacific Coast fishing interests would increase the probability of sympathetic consideration by Congress to demands for increased protection, which, if not, could place in jeopardy important segments of our trade in fisheries products. Similar considerations might well apply to other products where protectionist forces might gain the margin of additional support required to secure passage of restrictive legislation which could seriously damage Canadian export trade.

13. In the wider area of United States trade agreements legislation, any action by us which antagonized New England and Pacific Coast public opinion might adversely affect the attitudes of congressmen from those areas to the Trade Agreements Extension Act which expires on June 30, 1962. If this legislation is not renewed or replaced the Administration will be without authority to negotiate on the United States tariff, making it almost impossible for Canada to

realize reductions in the levels of United States tariffs in future and could lead to increasingly protectionist policies throughout the rest of the Western trading world, including particularly our European markets.

97.

DEA/9456-RW-11-40

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

SECRET AND PERSONAL

London, June 6, 1961

My dear Marcel [Cadieux]:

The reason I was concerned about an apparent misunderstanding in regard to the instructions to be sent to the Canadian and British Missions was simply the result of my very firm conviction that the success of our efforts depends on complete co-operation and understanding with the British Government and the officials directly connected with these activities. I don't believe this has deprived us of any support we require at this time.

As I indicated in a telegram I sent to the Minister yesterday,† there is no feeling of rancour as a result of the misunderstanding regarding the difference in instruction which has already been fully explained. On the contrary, I found Godber in very good spirit and apparently most anxious to co-operate in every way he can. But I do come back to the fact that between Canada and Britain we have carried the whole load of this enterprise. It would therefore be most unfortunate if any lack of confidence should develop as a result of any misunderstanding, whether justified or not. Undoubtedly, they were disturbed at the time. I am sure that concern is now resolved. There apparently was some justification for their hesitation about adopting similar instructions to those which were sent to the Canadian Missions. You will recall that some of the countries they had agreed to approach did indicate their opposition to the course suggested in our instructions. However, I can only repeat that there seems to be no further cause for worry on this score.

Quite frankly, I am not too greatly impressed with the importance of supporting arguments by other countries at this time. I think the United States will make up their mind on the basis of the representations we have made as to the result of the survey already completed. I think our main objective should be to employ every available argument to obtain their consent. It is even possible that if some others start to present their arguments at this time it might only result in some measure of confusion. Either the State Department accepts our assessment or they do not. If they do, I don't know that anything need be added in the way of further arguments by representatives of other countries at this time.

I was very happy to learn from your letter† that the Prime Minister had spoken to President Kennedy while he was in Ottawa about the plans for a Convention on the Law of the Sea. As this subject was raised also with Dean Rusk, who had already been approached by Arnold Heeney after a fairly thorough personal briefing on the subject by our friend Arthur Dean, I would hope that the combined result of these approaches would mean an early consideration at the highest level of the United States position in regard to this problem. I recognize that they have some vitally important issues immediately in front of them. Perhaps for that reason Heeney might be asked to find some reason for bringing this subject again to Rusk's attention at the earliest convenient date.

I shall deal first with the last question in your letter as to why I thought we should agree with the United Kingdom in an interpretation of the memorandum of understanding which deprived us of some support. Quite frankly, I do not think that is quite what I suggested at any time. We had reached complete agreement on the memorandum of understanding. The point in regard to which a difference of opinion arose was in connection with the instructions to the Canadian and British Missions.

I hope that Yingling's comments to Jim Nutt may be a favourable indication of the way the wind is blowing at Washington. Assuming that we do get a favourable reply, as I hope we shall, then I would think that the wishes of the State Department might very well be given the utmost consideration in deciding the place where the tri-partite talks will take place. Unless the United States authorities are greatly concerned about the possibility that a meeting in Washington would attract attention from their fishing lobbies, it may well be that it would have a beneficial effect on the representatives of countries whose support we hope to gain if this positive evidence were given of United States initiative in carrying this plan toward completion. But I can only repeat that I regard the approval of the United States as our main target. Obviously, the question as to where the talks will take place does not arise until they have indicated their approval, but if, as and when that approval is given then I should think this subject should be brought up immediately and we should go a long way in meeting their wishes for tactical reasons. I think there are obvious reasons under the circumstances why Ottawa is not the logical place for this meeting. There has been no question at any time about the fact that this is a Canadian plan. For that reason, I think we have much to gain by the meeting taking place either in Washington or in London, and for the reasons I have indicated I would advise that we follow the course which seems most satisfactory to the United States.

I doubt very much that it would be advisable to consider asking France to be a party to the talks which will follow United States approval in the first instance. I have never believed that the approval of France was a real pre-condition of agreement by the United States. I was under the impression, and I thought you shared that impression, that when Dillon seized upon the reservations raised by Couve de Murville it was merely an excuse for postponing discussion of this subject until after the elections. Certainly that was the impression shared by Arthur Dean himself. I should think that the first discussion should be a discussion of tactics by three countries fully committed, and that the presence of France at those discussions, with the reservations they have made, might prove a serious handicap. In any event, I find it difficult to think that we could invite France and not invite Norway, which was in on the first discussions. It does not seem to me that their reservations are in fact nearly as serious as those now put forward by France.

Please do not misunderstand me. I think everything should be done to gain French support. I think, however, that it is usually a fairly sound proposition that, when you are trying to build up strength behind a clear proposition, it is not wise to have anyone on the inside at the outset who is not wholeheartedly committed to the plan which it is intended to put forward. I still come back to the fact that once the approval of the United States is gained, I am convinced that there will be a very rapid accession of supporting countries.

I am greatly interested in the bill introduced by Frank Howard seeking unilateral action by the Canadian Parliament. While this bill will undoubtedly go the way of all similar private members' bills, it might do no harm if this were brought to the attention of the State Department as an indication of the way independent thinking in Canada is moving on this subject. Perhaps that has already been done. By the same token, I think it might also be very helpful if this were brought to the attention of the Quai d'Orsay simply as a matter of information.

I am hopeful that we shall get an early decision. You know that I have taken a fairly firm stand on several occasions in our dealings with the United Kingdom representatives. On the other hand, I do not think it is wise to assume too readily that any delay on their part means a lack of interest in this subject. The fact is that there has seldom been a time since the war when there were so many vitally important subjects before the British Government. Lord Home has hardly been in his office for the past two months. Heath has been similarly engaged all over Europe. Christopher Soames has been deeply involved in some of the agricultural negotiations which have been under way. I mention this only to indicate that there perhaps have been some reasons for difficulty in obtaining ministerial action on points which we have dealt with more quickly.

You know how strongly I reacted to the attempted intervention by Duncan Sandys, who was in fact openly opposed to our plan. I assure you, however, that my own impression has been strengthening, rather than otherwise, that since we got this back on the track the subject has been dealt with by the British Government in a favourable atmosphere.

George Carty dropped in to see me today. I was delighted to know that he had been attending a conference in Geneva which was discussing Government action in promoting tourist business. I believe that much can be done to build up a real tourist trade from this country to Canada, and I am hopeful that what he sees in London on this trip will persuade him that this is desirable.

Warmest personal regards.

Yours ever,

GEORGE DREW

98.

DEA/9456-RW-11-40

Note d'information pour la visite du premier ministre japonais

Briefing Note for Visit of Japanese Prime Minister

SECRET. CANADIAN EYES ONLY.

[Ottawa], June 13, 1961

LAW OF THE SEA

Japan is the most important fishing nation in the world; her distant-water fishing fleets operate in widely separated areas and the total catch of her fishing fleet exceeds that of any other country. For this reason Japan was included amongst the 18 key countries canvassed by Canada and the United Kingdom in order to determine the extent of support for a multilateral convention on the breadth of the territorial sea and a contiguous zone based on the "six-plus-six" formula.

2. Japan's initial response to our representations indicated support in principle for the proposed convention, provided that a sufficient number of other countries support it, and provided also that the convention does not recognize the fisheries jurisdiction of a coastal state beyond the 12-mile limit. (The joint Canada-U.S.A. "six-plus-six" proposal which came so close to acceptance at Geneva included the so-called "Brazilian Amendment," whereby states able to prove "special situations" could exercise certain kinds of control beyond the 12-mile limit.)⁴⁸ In recent discussions, however the Japanese have declined to consent to their position being made known to the other countries canvassed, and have also watered down their original response by saying that while it is believed that in fact Japan would approve a multilateral

⁴⁸ Voir/See Volume 27, document 51.

convention if there were sufficient support for it, they were not sure whether Japan could now adopt that definite a position.

3. This vacillation is consistent with Japan's past record on this question, (at the 1960 Conference, after having indicated support for the Canada-U.S.A. proposal, Japan did not in the event vote for it, but abstained, with the result that the proposal failed by only one vote), and suggests that further persuasion may be required.

4. Japan's support is by no means as essential as it was at Geneva in 1960, since the basis of the present approach is functional rather than numerical, and the proposed convention would not stand or fall by one vote more or less. However, the support of Japan as one of the world's major shipping and fishing nations would greatly contribute to the acceptance of the proposed convention, in time, as a "law-making treaty," and could also have considerable influence on the attitudes of other countries.

5. You may wish therefore to take the opportunity, should the subject be raised during your discussions, to suggest that since the proposed convention could, as a potential "law-making treaty," go a long way to achieving a rule of law on the breadth of the territorial sea and a contiguous fishing zone, and since Japan's position as a major fishing and shipping nation would seem to give her a considerable interest in obtaining certainty of the law in this field, we are hopeful that Japan will lend her support to the proposed convention.

99.

DEA/10600-S-40

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

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

SECRET

[Ottawa], June 30, 1961

LAW OF THE SEA

At the request of the Minister (please see his note on the attached memorandum),[†] I saw this afternoon at 4.00 Mr. Merchant, the U.S. Ambassador, who was accompanied by Mr. Smith.

2. I reminded the Ambassador that more than six weeks had elapsed since we had submitted a memorandum to the State Department enquiring whether the United States would be prepared to join the United Kingdom and Canada in the second phase of the survey concerning the proposed multilateral convention. We were hoping that it might be possible for the State Department to let us have a reply fairly soon.

3. I reminded Mr. Merchant that, in the first phase of the survey, we had approached a fairly large number of countries and that it could be assumed that these countries like us would be interested in knowing whether the United States would be prepared to join in this exercise. If there was too much delay, there was danger that the impetus might be lost and that some countries might develop interests in other solutions. It was also possible that unilateral action might be taken by other countries which had not been approached and this would not improve the general conditions in the next phase of the survey should it be decided that it should be pursued.

4. I also said that it should not be assumed, if the United States decided not to join the survey, that Canada would simply do nothing. I could not say what action was contemplated. The matter had not yet been considered by Cabinet but I felt sure that the Embassy had noticed that there was a good deal of pressure developing in the country, on both coasts, for some kind of

solution to be found to these problems. There has been a good deal of discussion in the House of Commons and the Government had been able, but with some difficulty, to hold the line and not to say anything as to what they had in mind. Should the United States decide not to join in the next phase of the survey, I felt that the United States authorities should appreciate that the Government here will be under increasing and very substantial pressure to consider some kind of action. As the United Nations multilateral convention had been rejected in Geneva, if the United States were to reject the multilateral convention approach, the possible courses open to the Government in Canada would appear to be somewhat limited.

5. Mr. Merchant said that, as a result of the change in the Administration, there was now a new set of officials in policy-making positions and it was always a little difficult for them, as they were taking over, to make decisions quickly. He had also anticipated when we had made the move that a good deal of inter-departmental consultation would be required and that an early reply could not be expected. He undertook, however, to transmit our request immediately to Washington. He said that he had noticed that pressure on the Government for action on the Law of the Sea had been building up.

M. CADIEUX

100.

DEA/10600-B-40

*Le sous-ministre adjoint des Pêcheries
au président du Comité interministériel des eaux territoriales
Assistant Deputy Minister of Fisheries
to Chairman, Interdepartmental Committee
on Territorial Waters*

SECRET. CANADIAN EYES ONLY.

Ottawa, September 11, 1961

SUMMARY OF DISCUSSIONS WITH MR. W.C. HERRINGTON,
ET AL, SEPTEMBER 8, 1961, 10.30 A.M.

The discussions were held in Mr. Herrington's office at 10.30 A.M. In attendance were Messrs. Herrington, Hubbard and Taylor, representing the State Department, and Mr. Terry, representing the Fish and Wildlife Service of the Department of the Interior. Mr. Brimelow of the United Kingdom Embassy was also present.

The writer introduced the subject and explained the advantages of a multilateral convention and the difficulties in not proceeding with a further survey with U.S. participation.

It was evident that as far as the Fisheries group was concerned they were opposed, not only to participation by the U.S. in the continued survey, but to the very idea of a multilateral convention. Mr. Herrington and his associates expressed the view that the U.S. was prepared at the Geneva Conference to sacrifice its security and fisheries interests in order to achieve stability in this branch of international law. A multilateral convention outside the United Nations would not achieve the same purpose. He thought that at Geneva in 1960 we reached the peak of support for our proposal and that from then on it would be difficult to get a sufficient number of countries to make the project worthwhile. He referred to the fact that it would not be possible to keep the survey secret and to the possibility of the opposing camp getting as many if not more countries to sign a straight 12-mile territorial sea convention.

As between unilateral action by other countries and a multilateral convention, he thought the U.S. would be losing less in taking a chance on other countries taking unilateral action. The U.S. interest may be affected in some cases of unilateral action by other countries but in

signing a multilateral convention the U.S. would be willingly sacrificing its interests in security and fisheries without achieving the desired stability.

Mr. Herrington was also pessimistic as to the degree of success of the proposed survey. He thought that without the South American amendment the 6 + 6 proposal would have little support in South America. On the other hand, its inclusion would alienate the support of the West European countries. In addition, this amendment would, according to Mr. Herrington, hurt the U.S. interests in fishing even more than the 6 + 6 formula. He referred frequently to the Navy's opposition to a multilateral convention to support his position in fisheries.

After the meeting, in private conversation, Mr. Herrington informed me that the U.S. would be hurt less if Canada took unilateral action with bilateral arrangements with respect to historic rights than by signing a multilateral convention. He confided that he thought that would be the preferable course for Canada to follow.

S. V. OZERE

101.

DEA/10600-S-40

Note de la Direction juridique
Memorandum by Legal Division

SECRET. CANADIAN EYES ONLY.

[Ottawa], September 13, 1961

MINUTES OF MEETING HELD IN WASHINGTON AT 10:30 A.M.
ON SEPTEMBER 8 ON THE LAW OF SEA

Present

Mr. Cadieux, Legal Adviser, Dept. of External Affairs
Mr. Chayes, Legal Adviser to State Department
Mr. Yingling, Assistant Legal Adviser to State Department
Miss Guttridge, Legal Adviser to the U.K. Permanent Delegation to the U.N.
Mr. Nutt, Counsellor, Canadian Embassy
Mr. Beesley, Legal Division, Dept. of External Affairs

Mr. Chayes opened the meeting by welcoming the visitors and apologizing for the delay in reaching a decision concerning the Canadian and British representations in support of the proposed multilateral convention on the breadth of the territorial sea and a contiguous fishing zone. He explained that the delay had occurred partly because of difficulties in reaching agreement amongst the various agencies concerned with the question and partly because of the onset of the summer months. He mentioned that one of the more important considerations to which thought was being given is that the convention must be assured of widespread and representative support. Japan, for instance, was more important in this field than say, Laos. He then suggested that Mr. Cadieux might like to outline the Canadian position.

Mr. Cadieux explained that the meeting had been suggested because of the absence of a U.S.A. reply to our representations and those of the United Kingdom. While we appreciated the difficulties as mentioned by Mr. Chayes, we and other countries concerned were anxious for a reply, and it was thought that it might be useful to discuss the question informally. Canada and the United Kingdom considered that the results of the preliminary survey justified proceeding with the second phase of the confidential survey. Assuming that a minimum of 40-45 countries would be required to make the convention worthwhile, something over 20 supporters had now been obtained and a further 10 would appear to be readily obtainable with U.S.A. support, leaving only 10 or 12 to be obtained through the joint efforts of Canada, the United Kingdom and the U.S.A. It was recognized that the supporters of the convention would have to be representative as well as numerous, and it was with this in mind that most of the

major shipping and fishing countries had been included either in the preliminary survey or in the projected second phase. It was recognized also that the proposed convention would not be an ideal solution, but it was considered to be far preferable to the only alternative, – doing nothing, – while the drift toward a 12-mile territorial sea continues. It should not be overlooked that the lack of many recent moves towards a wider sea may be due in part to the present initiative, which had helped to hold the line for the time being. This could not continue indefinitely, however, in the absence of some response from the U.S.A. In the case of Canada, for instance, there was considerable pressure both in the House and in the press for some kind of action. Since the present operation is confidential it had not been possible for the Government to say anything concerning it in order to show that some action was being taken. The result was that the Government was in a very difficult position and it could not be said how much longer it would be possible to continue to withhold any further action. The only alternatives for Canada, should the convention fail, would be to do nothing or to take unilateral action. Although the question of alternative courses had not been considered as yet by the Government, it should not be assumed that the Government would be willing to do nothing should the proposed convention fail. Both the pressure and the precedents (of Iceland and Norway) existed for unilateral action.

As to the prospects of success for the proposed convention, there was room for legitimate differences in assessment, but all that was being asked was participation in a further confidential survey. Its confidential nature would avoid damage to the status of the “six-plus-six” formula achieved at Geneva, and the proposed survey was intended for the sole purpose of finding out what the prospects were for the proposed convention.

Miss Guttridge then stated that she fully supported what Mr. Cadieux had said, with the exception, of course, of his references to the possibility of unilateral action by Canada. The United Kingdom was very concerned about the continuing drift towards a wider territorial sea and felt that the proposed convention could act as a brake on it. As an example of the kind of danger she had in mind she mentioned a recent conversation she had in New York with Mr. Robles of Mexico in which he had told her of a Burmese move to table a request that the International Law Commission consider the question of the breadth of the territorial sea. Robles had explained to Miss Guttridge that he was confident that if another conference was called in a few years time agreement would be reached on a 12-mile territorial sea.

Mr. Chayes made some general comments concerning the prospects of success of the proposed convention and then suggested that Mr. Yingling raise specific questions since he was more familiar with the problem.

Mr. Yingling inquired concerning the likelihood of success amongst the African nations. He considered that some support in both Africa and Latin America was essential if the convention was considered to be representative geographically. Miss Guttridge gave her views on the likelihood of success in Africa and listed the countries which had been suggested for inclusion in the second phase of the survey. Mr. Cadieux confirmed that in his view this list of countries seemed to offer the best chances of success. Yingling then mentioned that although the Sudan had recently extended its territorial sea Senegal had proceeded on the basis of the “six-plus-six” formula. He mentioned also a discussion he had had with Geoffrey Bing when he had been Attorney General of Ghana as indicated that Ghana and probably the rest of the African countries presented an enigma, and it was not possible to know how they would react. Mr. Cadieux pointed out that the best way to find out would be to go ahead with the survey.

Mr. Yingling then inquired as to the Canadian and United Kingdom views concerning the influence of France on the Brazaville group. He commented that France appeared to have done a complete about-face on this question since his discussions with the French about a year ago. Mr. Cadieux replied that before the Bizerte incident he would have replied differently, but that

now it was difficult to say what, if any, influence France would have on this group on a question of this nature. It might well be that each country would have to be approached individually. Miss Guttridge concurred in Mr. Cadieux's assessment.

Mr. Yingling then raised the question of the Brazilian Amendment, suggesting that the Western Europeans and Japan were opposed to it. Mr. Cadieux and Miss Guttridge confirmed that Japan had raised the question, although not the Western Europeans and it was intended that it be left until late in the survey to be decided as to whether or not the Brazilian Amendment should be retained or dropped, the decision to be made purely on the basis of the least loss in numbers and importance of signatories. Mr. Yingling pressed this question in an effort to determine whether or not the Canadian and United Kingdom assessments had been made on the assumption that the Brazilian Amendment would be retained, his own view being that the requisite numbers could never be obtained without it. Mr. Cadieux and Miss Guttridge refused to be drawn on this point.

Mr. Yingling then referred to the possibility of unilateral action by Canada and inquired as to what, if anything, Canada would gain by extending its territorial sea to 6 miles. He pointed out that merely the fishery limits and not territorial seas had been extended by Iceland and Norway. He reminded Mr. Cadieux that the original Canadian position had been "three-plus-nine" as part of the compromise package deal at Geneva. Mr. Cadieux confirmed that this was the case, but pointed out that Canada had argued strongly in support of the "six-plus-six" rule at Geneva and it would presumably be the preferred basis for any possible unilateral action. The important difference domestically was that the 6-mile territorial sea provided an immediate further 3 miles exclusive fisheries without any question of tapering off periods, such as might be encountered in possible negotiations concerning the outer 6 miles.

Mr. Chayes concluded the meeting by thanking Mr. Cadieux and Miss Guttridge for having come to discuss the question. He said that we appeared to be agreed in our purposes although there might be some differences in assessment of the prospects for the proposed multilateral convention. The question would be considered urgently, however, and he felt that Mr. Cadieux could report to his Government that these discussions would precipitate an early U.S.A. decision.

J.A. BEESLEY

102.

DEA/10600-S-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. CANADIAN EYES ONLY.

[Ottawa], October 31, 1961

LAW OF THE SEA

Our Embassy in Washington got in touch yesterday with Yingling, Assistant Legal Adviser to the State Department, to inquire as to when the U.S.A. reply to our representations in support of the proposed law of the sea convention might be expected. Yingling explained that Mr. Rusk had referred the question back to the Legal Adviser for reconsideration and that as a result there is likely to be a further delay. Our Permanent Mission in New York has now reported in telegram 2434 of October 30,† (a copy of which is attached), that, presumably as a result of your recent conversations with Arthur Dean in New York, Mr. Dean had also raised

the question with Yingling and, following their discussion, Mr. Dean hoped that “a definite U.S.A. reaction would be forthcoming in about a week’s time.”

2. It is not possible to assess the possible significance of these developments with any certainty, but it would seem a not unlikely assumption that Mr. Rusk would be favourably disposed personally towards the proposed convention, (as was Mr. Bowles), and that he may have so indicated in referring the matter back to the State Department. (Mr. Dean’s influence may safely be assumed to have been beneficial.) In these circumstances it would seem worthwhile to accept this further slight delay on the part of the U.S.A.

3. Our Ambassador in Washington has been considering the advisability of writing to Mr. Rusk on a personal basis urging an early reply to our representations. Such an approach would be timely and would seem to be preferable at this stage to a more formal move. I have therefore drafted the attached telegram to Mr. Heeney† for your signature, if you agree, endorsing his proposed personal approach.⁴⁹

4. The relevant papers, prepared for use in the event of a negative reply or none at all being received from the U.S.A., have been re-examined and brought up to date by the Interdepartmental Committee on Territorial Waters so as to enable the question to be brought before Cabinet on short notice.

N.A. R[OBERTSON]

103.

CEW/Vol. 3175

Note du conseiller de l’ambassade aux États-Unis
Memorandum by Counsellor, Embassy in United States

SECRET. CANADIAN EYES ONLY.

[Washington], November 17, 1961

LAW OF THE SEA

On November 10, Beesley, Legal Division, called me to say that Mr. Pearson had made a statement in the Maritimes criticizing the Government for not having extended Canadian fishing limits. Beesley said that the Prime Minister’s office and the Minister’s office were both disturbed and that, as a consequence, the pressure was mounting to do something in the absence of a United States reply to our Aide Mémoire of last May. Beesley said that Cadieux had instructed him to tell me that we should let Yingling know informally of these pressures.

2. I was unable to get Yingling on Friday (November 10) since it was a State Department holiday, but spoke to him first thing Monday morning, November 13.

3. I started out by mentioning (as the Ambassador had previously agreed) that I had intended to pass to him, the previous week, a copy of the Ambassador’s personal letter to Mr. Rusk. Yingling said that he had heard that there was such a letter and that he understood it was on the way to him for action. He declined my offer of a copy of the letter, saying that he would have the original momentarily.

4. I also mentioned to Yingling the additional reasons in support of a multilateral convention which Mr. Drew had raised in his telegram (3927, November 2).†

⁴⁹ Notes marginales :/Marginal notes:

Signed by SSEA 31/10. R. C[ampbell]

Tel. L-413 sent 20:00 hrs 31/10/61. [Auteur inconnu/Author unknown]

5. Additionally, I mentioned Mr. Pearson's statement in the Maritimes and the increasing urgency which the Government was attaching to receiving a reply from the United States to the May Aide Mémoire.

6. Yingling quite understood the concern of Canadian officials. As we knew, there were deep differences of view between United States authorities which had to be reconciled. An answer was not yet forthcoming and Yingling could not hazard what the answer would be though he was hoping that a decision could be reached soon. Any decision would have to be made "at the top." In this connection, he mentioned that Mr. Green had recently mentioned the matter to Arthur Dean in New York.

J.S. N[UTT]

104.

DEA/9456-RW-11-40

*Le conseiller de l'ambassade aux États-Unis
au sous-secrétaire d'État adjoint aux Affaires extérieures*

*Counsellor, Embassy in United States,
to Deputy Under-Secretary of State for External Affairs*

PERSONAL AND SECRET.

Washington, December 15, 1961

Dear Marcel [Cadieux]:

Last Monday (December 11) when I called on Jack Pender, Yingling's deputy, on another matter, I enquired of him whether there were any developments on the law of the sea. (Yingling I gathered is on a month's holidays.) Pender was not completely on top of current developments but he made one or two background comments which will be of interest to you.

Pender recalled that both the fisheries interests and the United States Navy considered that the situation was best left alone. He described this as "the short run pragmatic approach" but nevertheless this was how the fisheries interests and the United States Navy saw their present interests. Beyond this the Navy were suspicious of Canadian motives. They believed that Canada was really interested in promoting a twelve mile limit rather than the six plus six proposal. Pender said the Navy based its view on "discussions with Canadian naval officers" and because they had concluded that "Canada seemed to want, like the Russians, to claim as much water as she could." [Une phrase omise./One sentence omitted.] Some of the Navy's suspicions went back to Canadian actions during the first Law of the Sea Conference though Pender was not sure what the incident or incidents were. We both surmised that it was probably Canada's brief flirtation with the "choose it yourself up to twelve miles" proposal. I told Pender that I thought the United States Navy quite wrong in suspecting that we were after a twelve mile territorial sea. It was true that in 1956 Prime Minister St. Laurent had made references to a twelve mile territorial sea but that with the further development of Canadian policy, we had come to believe that the six plus six proposal represented a realistic (and from our own point of view most acceptable) proposal.

The Navy's second worry, and I gathered from Pender that this was not restricted to the Navy alone, was that taking measures to open a multilateral convention for signature would stimulate claims. The Navy had pointed to the fact that the main rash of claims had been before the first and second conferences on the Law of the Sea rather than after. A multilateral convention would be like a third Law of the Sea Conference and would, the Navy was certain, stimulate another rash of claims. I confessed to Pender that I had been surprised that there had not been more unilateral claims in the wake of the second conference. It seemed to me, however, that over the ensuing years if nothing were done to try to reach an agreed practice,

there would be a gradual accumulation of unilateral claims. Pender agreed that this might well be so in connection with the “new countries.”

Pender also said that the Navy had succeeded in convincing a number of law professors of the validity of their case. He mentioned specifically a Professor MacDougall(?) who had protégés in many law schools across the country who were converted to the view that the existing situation was the proper one.

Pender mentioned that Abram Chayes (States Department Legal Adviser) had been instrumental in bringing Arthur Dean back into Law of the Sea discussions within the United States Administration. Pender thought Dean favoured the idea of exploring the possibilities for a multilateral convention. This might be advantageous to our cause since Dean had the ear of the President. At the same time, however, he no longer had the confidence of the United States Navy or the United States fisheries interests.

While what the United States fisheries interests and the United States Navy think may not be decisive, it seems to me that it would be helpful if some effort were made to put straight the record of our intentions vis-à-vis a twelve mile territorial sea with the United States Navy. The only way to do this would be, I think, for some senior Canadian naval officer to take the opportunity to speak privately to some senior United States naval officer and preferably one concerned with the Law of the Sea. The best opportunity would be for the Naval Attaché, Commodore O’Brien, to take a suitable opportunity to discuss the matter. Another opportunity would present itself at the forthcoming PJBD meeting though this will not now be held until February. This approach would obviously have to be done informally and with some delicacy, perhaps under the guise of an enquiry as to how the reply to our Aide Mémoire of May 4 is progressing and what the United States Navy thinks about it.

I take it that a good deal of thought has been given to what we should do in the event that the United States refuses to go along with a multilateral convention. I would hope that we were not wholly past the point where we could consider whether we would really need to invoke unilaterally the six plus six proposal or even the three plus nine, at least over our entire coastline. While part of the motivation for the Geneva proposal, on our part, was national interest, I believe that part of it also was that the six plus six proposal, while benefiting us, might, at the same time, prove acceptable to a majority of states. That this was so was proven at the second Geneva Conference although, unfortunately, not decisively so. Assuming that the idea of a multilateral convention were to be dropped, then that element of the proposal relating to its international acceptability would not be relevant, except insofar as the results of the second Geneva Conference might be invoked to give respectability to any unilateral claim to a six plus six or three plus nine limit. It seems to me, therefore, that in any future moves, we should be governed by the real utility to Canada of an extension of jurisdiction, the effect of proposing unilateral action on our relations with the United States and the international example which we set by proposing unilateral action, albeit based on what was accepted at Geneva by a rather large majority.

Yours sincerely,

JIM [NUTT]

P.S. Please ensure that Pender’s name is not mentioned in connection with the information about the United States Navy’s views.

105.

DEA/9456-RW-11-40

*Note du conseiller du Gouvernement canadien en matière du désarmement
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Advisor to Government of Canada on Disarmament
to Secretary of State for External Affairs*

[Ottawa], December 18, 1961

LAW OF THE SEA

On December 15 at the end of our last five power meeting on disarmament, Mr. Arthur Dean approached me privately to ask me to convey to you a message on this subject.

Mr. Dean said that he had recently recommended strongly to the State Department that the United States cooperate with us in our proposal that a survey be conducted to determine the extent of interest which may exist in working out a multilateral agreement on the basis of the Geneva formula.

E.L.M. BURNS

106.

DEA/9456-RW-11-40

*Le sous-secrétaire d'État adjoint aux Affaires extérieures
au conseiller de l'ambassade aux États-Unis*

*Deputy Under-Secretary of State for External Affairs
to Counsellor, Embassy in United States*

SECRET AND PERSONAL.

Ottawa, December 22, 1961

Dear Jim [Nutt],

I found your letter of December 15 of considerable interest; it was also very timely since it arrived just before a meeting of the Interdepartmental Committee on Territorial Waters. In the light of your letter, and various other factors, I felt it inadvisable to go ahead with the next step of delivering a formal note to the U.S.A. (explaining that unless a reply was received we should have to act on the assumption that the U.S.A. was not interested in the proposed convention, so inform the other countries involved in the survey, and notify all concerned that Canada considered itself free to take such action as may be necessary to protect its fishery interests). The members of the Committee agreed, and so for the time being no action will be taken, unless and until the Government requests it.

I have some doubts as to the usefulness of trying to convince the U.S. Navy of our good faith in this matter. The short answer to their suggestion that we are really interested in a twelve-mile sea is for them to agree to the proposed convention for a six-mile territorial sea. If it is not obvious to them that we would not be going to such great lengths to obtain an international agreement based on the "six-plus-six" formula, (if what we really wanted is a twelve-mile territorial sea), then I doubt if anything we could say would persuade them otherwise.

You may be interested in knowing I had lunch with Chayes in New York recently, and he told me that his biggest problem was to determine whether the State Department should add this question to their already existing list of matters on which it had been necessary to take a line different from the Department of Defence, and, in this case, the Department of Fisheries

also. You may be interested too in knowing that Arthur Dean told General Burns last week that he had recommended to the State Department that it take part in the confidential survey.

There seems to be nothing further we can do at present to bring about a favourable answer, and we can only continue to wait for the time being either a U.S.A. answer or a directive from the Government that we proceed with the preparatory steps for unilateral action. I strongly doubt, with the likelihood of the question becoming an election issue, that the Government will be prepared to refrain from unilateral action much longer.

I should be interested in anything further you are able to learn. In the meantime, my best wishes for a Merry Christmas and a Happy New Year.

Yours sincerely,

M. CADIEUX

107.

DEA/10600-S-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 731

Washington, March 8, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 668 Mar 3.†

Repeat for Information: London (OpImmediate).

LAW OF [THE] SEA

At this request I saw Under Secretary Ball this morning for the purpose of being informed of the Administration's position on our proposal that USA join in the second stage of the survey on a multilateral convention. Ball said he had hoped to be able to give us an affirmative reply. He regretted however that there continued to be strong opposition within the Administration (USN) and, even more important, amongst the fishing interests; consequently, it had been concluded that our invitation would have to be declined. Ball said that the State Department was the only department which saw advantage in our proposal; they had pressed hard to persuade others; to have persisted further would have jeopardized the Department's credit in more critical matters where support would be badly needed.

2. I said that naturally we regretted USA decision. We felt it was a pity. We believed that the narrow miss at Geneva in 1960 justified a real joint effort to reach multilateral agreement on the "six plus six" proposal. (Ball interposed that USA would have gone along with us if it had not repeat not been for the kind of opposition they had encountered, especially in the Northwest.) We were, perhaps, losing an opportunity to achieve a multilateral agreement which would have solved many outstanding problems. As the Under Secretary would know, pressure was being brought to bear on Canadian government, to take action in view of the failure at Geneva. I was not repeat not in a position to say what the government might decide to do but, in view of USA decision, some action on our part would be required. Ball hoped it would not repeat not be necessary for Canada to proceed unilaterally since we would be bound in such an event to have "a very difficult time."

3. I can appreciate that the decision USA has now taken finally will be most disappointing to you. Nevertheless, before any decision on our part to proclaim unilaterally an extension of fishing limits, I know that the consequences will be very carefully weighed, not repeat not only in terms of our relations with USA, but also in context of broader international relations. At

least initially I would hope we could explore the extent to which, and how soon, our legitimate fisheries needs could be satisfied through bilateral negotiation.

4. State Department will be informing British Embassy of the position taken on our joint approach of last May.

[A.D.P.] HEENEY

SECTION C

DÉSARMEMENT ET ESSAIS NUCLÉAIRES DISARMAMENT AND NUCLEAR TESTING

108.

DEA/50189-B-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], March 20, 1961

DISARMAMENT AT THE GENERAL ASSEMBLY

When the General Assembly recessed before Christmas, there remained on the agenda of the First Committee ten draft resolutions on various aspects of disarmament. There was a Soviet draft resolution calling for the addition of five neutral countries to the Ten Nation Disarmament Committee; three draft resolutions concerning the principles of general and complete disarmament; an assortment of resolutions dealing with the prohibitions of nuclear weapons, the establishment in Africa of a de-nuclearized neutral zone and the dissemination of information on the consequences of nuclear war; and the Canadian draft resolution co-sponsored by 18 other countries concerning the early resumption and the conduct of negotiations. These resolutions remained to be disposed of at the resumed session.

2. During the recess, the new Administration was established in Washington. President Kennedy's advisors on disarmament have made it quite clear that although they recognize the urgent need for the resumption of constructive negotiations at the earliest possible time, they will require several months to complete their comprehensive review of the United States position on disarmament. In the meantime, understandably, they have no wish to become involved in a premature discussion of substantive questions. A substantive discussion would be necessary if the disarmament resolutions remaining on the First Committee agenda were to be pressed. Accordingly, the United States Government has been trying to avoid their consideration for the time being. In fact, the discussion of several of these resolutions would be embarrassing to the West generally.

3. Just before the 15th session resumed on March 7, the United States entered into discussions with the Soviet Union about the possibility of having all controversial items remaining on the Assembly agenda either postponed or dropped. The aim of this move was to ensure that the atmosphere in the resumed session would not disturb the trend toward improved relations between the United States and the Soviet Union. It also meant, however, that there would be no controversial discussion of disarmament questions. This move did not succeed, partly because the Soviet Union would not agree and the Assembly has continued its proceedings in the ordinary way. The atmosphere so far, however, has been relaxed.

4. The discussion of disarmament has not yet been resumed. In fact, the First Committee has not been reconvened to date. At the present time, the United States, in consultation with its allies, has been seeking to evolve a disarmament position which can be put before the Soviet Union as a basis for an agreed recommendation by the General Assembly. The Soviet Union has shown some disposition to co-operate but it has not altogether abandoned its pre-Christmas position.

5. The main effort is to make provision for the resumption of disarmament negotiations. Three questions are involved: date, composition of the negotiating body and principles for guiding the negotiations. The two sides have now more or less agreed that the date should be "on or before August 1, 1961."

6. As for composition, the Soviet Union has submitted to the United States a draft resolution which calls for adding to the Ten Nation Committee representatives of India, Indonesia, United Arab Republic, Ghana and Mexico (in other words, the Soviet pre-Christmas proposal on composition). The United States does not wish to have uncommitted countries participating directly in the negotiations. It is prepared, however, to see some neutral representatives added as impartial officers, namely, Mexico and India respectively as chairman and vice-chairman-rapporteur. This United States position is contained in a draft resolution which Mr. Stevenson intended to discuss on March 20 with the Soviet Delegation in New York.

7. The Canadian Embassy in Washington has said that the United States has fall-back positions: reverting to the formula of the Outer Space Committee (12 West, 7 East, 5 neutrals); or turning the whole problem over to the Disarmament Commission. Neither of these is thought to be desired by the Soviet Union.

8. As for principles, the two sides seem prepared to settle for a general formulation which would guide the negotiations rather than the detailed list of principles which caused earlier deadlocks not only in the Ten Nation Committee but in the General Assembly before Christmas. Both the Soviet draft resolutions, which has been shown to the United States, and the United States draft, which Mr. Stevenson intended to show to the Russians, contain broad formulations. While neither of these is likely to be entirely acceptable, there is room for hope that as the consultations continue, a common formulation can be evolved.

9. What is missing from both the Soviet and United States drafts is any provision for a close link between the disarmament negotiations in future and the United Nations. This is the link which the Canadian draft resolution seeks to establish through giving the Disarmament Commission a specific rôle. This Canadian approach has been explained to Mr. Stevenson, who has shown interest in it.

10. Earlier, the Soviet Union expressed opposition to the Canadian proposal which was regarded as diversionary. However, if some agreement were reached on a draft resolution dealing with the date of resumed negotiations, the composition of the negotiating body and the principles to guide negotiations, Soviet opposition to the establishment of a link with the United Nations might soften. Accordingly, the Canadian Delegation has been consulting with the United States about incorporating some of the Canadian ideas in the resolution which is being negotiated with the Soviet Union. For this purpose, the Canadian resolution has been re-drafted somewhat.

11. Copies of the Soviet and United States draft resolutions are attached and also of the Canadian re-draft.†

N.A. R[OBERTSON]

109.

DEA/50189-B-40

*Extrait du rapport final de la quinzième session, première commission
de l'Assemblée générale des Nations Unies*

*Extract from Final Report of the Fifteenth Session, First Committee
of the United Nations General Assembly*

CONFIDENTIAL

[Ottawa], April 5, 1961

ITEMS NOS. 67, 69, 73 AND 86: DISARMAMENT

Summary

At the first part of the fifteenth session of the General Assembly the First Committee had before it thirteen draft resolutions on disarmament and related subjects. Three of these resolutions (two dealing with the discontinuance of nuclear weapons tests, and one with the prevention of the further spread of nuclear weapons) were adopted at the first part of the session, the remaining ten being left over for consideration at the second part. A full explanation of the substance and origin of these resolutions is given in the final report on the first part of the session and, with the exception of the Canadian resolution, they are not discussed further below.

2. It was apparent well before the commencement of the resumed session that a large number of delegations wished to avoid a repetition of the acrimonious and unproductive dispute over disarmament which had characterized the first part of the session. Furthermore, the United States hoped to dispense with any debate whatever on the substance of disarmament, on the grounds that they were undertaking a thorough review of their policy on this subject and were not prepared to engage in substantive discussion at this time. In general, this position met with the support of the Western Powers, but at first it was completely rejected by the Soviet bloc, which insisted that disarmament be discussed at the fifteenth session (or, if necessary, at a special session), and that the Assembly agree on basic "principles" or "directives" on disarmament for the guidance of future negotiations. In addition to this firm Soviet position, the apparent desire of a number of delegations to see their own proposals discussed, even if others were to be abandoned, seemed to militate against the chances of an agreement to avoid substantive debate.

3. Nonetheless, after several weeks of private negotiations between the Soviet Union and the United States, a draft resolution was agreed upon which had the effect of deferring the question of disarmament and all resolutions before the Committee to the sixteenth session of the General Assembly. On March 30, after a very brief debate, this resolution was adopted unanimously by the First Committee without a vote. On April 21 it was unanimously approved in plenary without a vote and without further debate. The text of the resolution, No. A/RES/1617(XV) is given at Annex II.†

Canadian Position

4. Since the breakdown of the Ten-Nation Committee in June, 1960, it has been the Canadian position that detailed negotiations on disarmament should be resumed as soon as possible. Accordingly, Canada welcomed the intention of the United States to resume negotiations on this subject as soon as their policy review had been completed. In the Canadian view, however, the mid-September date which the United States had originally considered satisfactory as a starting point for new negotiations was too late, and it was therefore cause for satisfaction that the United States Representative later announced in his statement to the First Committee that his Government would be ready to resume negotiations "by the end of July."

5. The Canadian position called for any future negotiating body to maintain a suitable relationship with the United Nations and the Disarmament Commission. Our objective here was to ensure both that the negotiating body should report periodically to the Commission and that the members of the Commission should be in a position to communicate their views on disarmament to the negotiating parties. We also considered that certain specific problems of disarmament might require study in groups of a smaller size than the ninety-nine-member Commission as a whole, and we believed that it might be desirable to establish *ad hoc* committees of the Commission for this purpose.

6. The Canadian position on the composition of the negotiating body was flexible. Although in our opinion the Soviet proposal to add five neutral members of the Committee was not satisfactory, we were prepared to accept two or three additional members, preferably as officers of the Committee, but possibly as participants in a fuller sense if this appeared necessary. In this connection, it was the Canadian view that the procedure described in the preceding paragraph would provide a useful means for associating all non-negotiating states with the negotiating body without making them actual participants, and that it might go a considerable distance toward meeting the views of those members of the United Nations who wished to play a more active rôle in future negotiations.

7. On the question of "principles," the Canadian Delegation stressed in private discussions with the Western Five the desirability of achieving a clearly defined framework within which future negotiations could be conducted. We considered it particularly important to specify as precisely as possible the method of negotiation which the negotiating parties would follow, and thus remove an important difference between the two sides (the "one-treaty" approach of the Soviet union *versus* the Western approach through stages) which had caused great difficulty in the negotiations in the Ten-Nation Committee.

8. During the course of the private negotiations between the United States and the Soviet Union, it was the Canadian position that any agreement on substance between the two sides should incorporate the ideas just discussed. However, in the later stages of these negotiations it became apparent that an understanding would be reached between the United States and the Soviet Union which would include little or no reference to matters of substance. In the circumstances, the Canadian Delegation considered it imperative as a minimum that a reference should be made – either in the resolution to be submitted to the First Committee or in the accompanying statements – to the date of resumption of negotiations and to the relationship between the negotiating body and the Disarmament Commission, which has been described in paragraph 5 above. Although our Western colleagues believed that the inclusion of our ideas on the relationship of the Commission to the negotiating body might result in a further prolongation of negotiations with the Soviet Union, and possibly in a substantive debate in Committee, the United States Delegation eventually agreed to include a paragraph which met most of our views in the statement which they proposed to make to the Committee.

9. However, in accordance with the understanding reached between the United States and the Soviet Union, it was still necessary for the Soviet Delegation to concur in the wording of the United States statement in order that both statements would represent agreed views. Although they accepted the United States statement as a whole, the Soviet Delegation objected to certain paragraphs which they alleged were "extraneous" to the understanding reached between the two delegations. Among the paragraphs which were deleted from the United States statement at a Soviet request was the section reflecting Canadian views on the rôle of the Disarmament Commission in relation to future negotiations.

10. In order to give proper recognition to the rôle of the Disarmament Commission, which was now to be omitted from the United States statement, we explained to our allies that we would be obliged to make a statement on our own behalf. Although the fear was expressed by

some of our colleagues that an intervention by our Delegation might bring on a lengthy debate, we argued that it was necessary not to let the important rôle of the Disarmament Commission go by default through failure to give it clear expression at this time. In the event, our colleagues' fears of a lengthy debate proved to be unwarranted.

11. Shortly before the disarmament debate in the First Committee, a meeting of our co-sponsors was called to explain the results of the United States-Soviet discussions, and to inform them of the statement which we wished to make in order to clarify our position on the progress achieved to date and steps which remained to be taken in the future. It was suggested by our co-sponsors that the United States-Soviet initiative might be given a broader basis of support in the Assembly if our statement were to be made in the name of all the co-sponsors of resolution A/C.1/L.255. After discussion it was agreed that this idea could be suitably conveyed to the Committee by amending the last paragraph of our statement so as to indicate that the other co-sponsors of our resolution also supported the joint United States-Soviet resolution.

East-West Negotiations

12. In summary, the private negotiations between the United States and the Soviet Union may be considered as falling into three stages:

(i) At the beginning of their discussions with the United States Delegation, the Soviet Delegation stood firm on their earlier position that five neutrals should be added to the negotiating body and that the General Assembly should adopt "principles" or "directives" which would be based on the Indian compromise resolution put forward at the first part of the session. The United States Delegation were willing to discuss the date of resumption of negotiations and the composition of the negotiating body, but they were not prepared to enter into a discussion of "directives" and they wished generally to see as little substantive debate on disarmament as possible. Negotiations on this basis were, of course, unlikely to be productive, and it appeared by the time the resumed session had been under way for one week that the bilateral discussions had ended in complete failure and that a sharp and lengthy debate on disarmament could be expected.

(ii) At this point, however, the Soviet Delegation presented the United States with a new proposal which constituted at least a small advance on two points. First, they abandoned their earlier insistence on a date for resumption of negotiations which was far in advance of the date the United States wished. The United States having moved at the same time toward Soviet demands for an earlier date, virtual agreement was reached on a starting-point around the end of July or beginning of August. Of greater importance was the Soviet willingness to abandon their insistence on the Indian compromise resolution as an absolute minimum so far as "principles" were concerned. After further discussion it appeared likely that some form of compromise might be possible on this question, although probably only as a result of adopting a very vague set of principles which might have led to difficulty at a later date. Further progress also appeared possible on the question of composition when the Soviet Delegation moved from their earlier insistence on tripartite representation (five Western, five Communist and five neutral participants) in favour of the addition of three neutrals only, while at the same time the United States were preparing to advance a formula for the addition of two or three neutrals in a status which would fall somewhere between the original Soviet demand for full participation and the Western position that neutrals should be added to the Committee as officers rather than participants. However, it was not to be known whether agreement might have been reached through further efforts in this direction, for after one week of discussion along the above lines the Soviet Delegation put forward a radically different proposal for dealing with disarmament at the resumed session.

(iii) In brief, the final Soviet suggestion was that the two sides should abandon their efforts to reach agreement on substance before the end of the resumed session. For their part, they were willing to accept a date of resumption around July 31, but they could not agree to United States views as they now stood on principles and composition. They therefore proposed that both delegations should make short statements indicating that an understanding had been reached to continue their bilateral talks during the summer, and that a brief resolution should be introduced in the name of the two delegations which would take note of these statements and defer United Nations consideration of the question of disarmament “and all pending proposals relating to it” until the sixteenth session of the General Assembly. Since this suggestion appeared to represent a concession to the original view of the United States that there should be no substantive discussion of disarmament during the resumed session, there was relatively little difficulty in reaching agreement between the two delegations to proceed on this basis.

13. The principal Western objection to the Soviet statement was that the last paragraph, with its reference to a report to the sixteenth session only on the progress of United States-Soviet discussions, could be taken to imply that international disarmament negotiations would not yet have been raised by that time, and would also emphasize unduly the bilateral character of the preparatory discussions which were to take place during the summer. After discussion among the Western Five, it was agreed that the question of the timing of resumed negotiations could be resolved satisfactorily by including a reference in the United States statement to their readiness to resume negotiations “by the end of July.” It was also eventually agreed that the two statements would call for a report to be made to the sixteenth session of the General Assembly merely “on the progress made” without giving any precise indication whether this report would deal with the progress of resumed negotiations. Finally, the preparatory discussions which were to take place in the summer would be described in the United States statement as taking place between “the States concerned,” a wording which was designed to cover United States and Soviet allies as well as these states themselves.

14. In paragraph 5 above, the Canadian reaction to the Soviet request for the deletion from the United States statement of our ideas concerning the relationship of the Commission to future negotiations has already been discussed. Paragraphs relating to the Geneva negotiations on nuclear tests and to procedures for the peaceful settlement of disputes were also deleted from the United States statement after objections by the Soviet Delegation that they were not relevant to the present understanding between the two countries. With these changes and other more minor alterations the statements were agreed between the two delegations, thus opening the way to a short, non-controversial debate in the First Committee.

First Committee Debate

15. Although the two great Powers had come to an understanding on a procedure which would curtail debate in the First Committee, the fear was expressed until the very last that certain delegations would not permit discussion of their own resolutions to be put aside in this matter until the sixteenth session. It was felt in particular that the African delegations might insist that the two resolutions which they co-sponsored be fully discussed and perhaps put to a vote at the resumed session. In the event, however, no such difficulties arose.

16. In all, there were seven speakers in the First Committee debate, each of whom intervened only very briefly. The Soviet representative spoke first and was followed by the representatives of the United States and Canada. (The texts of the three statements are contained in the verbatim record attached at Annex III.)† Three African representatives also spoke primarily to emphasize their view that their own resolutions – which deal largely with problems relating to nuclear weapons – were not related to disarmament as such, and to make plain that they reserved the right to raise them at a later date. The French representative, who was under firm instructions to speak if delegations other than the United States and the Soviet

Union intervened, also spoke after the vote, alluding very briefly to his country's views on the importance of effective measures to deal with modern weapons and on the adequacy of the Ten-Nation Committee itself as a forum for future disarmament negotiations.

Recommendations for Future Action

17. The main lines of possible future action to which further thought might be given before the sixteenth session are indicated in the statement delivered by the Canadian representative in the First Committee. If detailed negotiations on disarmament are resumed on or about August 1 the major part of the original Canadian concern will have been met, but the matter of the relationship which is to be established between the negotiating body and the Disarmament Commission will remain to be considered.

18. Our proposal that progress reports be forwarded periodically by the negotiating body to the Disarmament Commission may not be a point of controversy since a procedure such as this has frequently been followed in previous negotiations. However, in view of past opposition to the idea, it may be more difficult to devise a satisfactory procedure which would promote non-negotiating states to communicate their views on disarmament to the negotiating body. As a result it might be advisable to suggest a procedure such as that referred to in the paragraph relating to this point which was eventually included in the draft United States statement discussed with the Soviet Delegation. This course of action would have the advantage of making use of language which has already been accepted by the United States and to which, as we have been informed by Mandelovich, the Counsellor of the Soviet Delegation, the Soviet Union has no objection in principle. The terms of the relevant parts of this paragraph are as follows:

“In recognition of the interest of the United Nations, the USA and the USSR ... will request any future negotiating body to submit reports to the General Assembly through the Disarmament Commission and to consider any memoranda embodying views on disarmament submitted by members of the Disarmament Commission.”

19. If the ideas embodied in the passage just quoted were to be accepted, it would remain only to consider the desirability of establishing additional machinery within the Disarmament Commission to provide for more effective consideration of specific problems which might be referred to it. The resolution presented by Canada at this session included the suggestion that *ad hoc* committees of the Disarmament Commission should be set up for this purpose. Whether this particular suggestion should be pursued and, if so, the exact timing and method of the establishment of such committees will require further examination. In a conversation with the Minister at the resumed session, the Chairman of the Disarmament Commission, Padilla Nervo of Mexico, suggested that this question might best be raised after the negotiating body had begun its meetings and perhaps when it had indicated in a progress report to the Commission that there was a need for studies of a kind which could best be conducted in smaller groups. A second possibility which would complement Nervo's suggestion would be to establish a procedure that would enable the Commission to receive the views of member states on disarmament for transmission in the form of memoranda to the negotiating body, and then to decide later, when this procedure had been in operation for a time, whether any views or problems put forward by member states required more detailed study in subordinate groups. In any case, it would appear that until international negotiations on disarmament are again under way it will be too early to judge with any degree of certainty whether either or both of these possibilities would provide the most suitable arrangement for any further action on disarmament which might be required of the Commission.

110.

DEA/50271-M-40

*Le secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
au secrétaire d'État aux Affaires extérieures*

*Secretary of State for Commonwealth Relations (United Kingdom)
to Secretary of State for External Affairs*

CONFIDENTIAL

[London], May 27, 1961

My dear Green,

In their March statement on disarmament, the Commonwealth Prime Ministers stressed the importance of rapid agreement to secure the permanent banning of nuclear weapons tests by all nations.

Our High Commissioner has been sending to your people a weekly account of the negotiations at the Nuclear Tests Conference at Geneva. I thought, however, that you would like to have personally a short summary of the position as we see it.

Frankly the Russian performance at Geneva since the Conference re-opened on the 21st March has throughout been most disappointing. The Americans went to Geneva, as we did, determined to make every possible effort to achieve progress. To this end we and the Americans, at the very start of the conference, tabled a set of important concessions, designed to meet many of the Russian objections to earlier proposals. For instance, in regard to research nuclear explosions, we have agreed to the four safeguards proposed by the Soviet Union; these among other things would in practice permit the Russians to see the internal mechanism of American nuclear devices.

These concessions were embodied in the text of a complete draft treaty which we and the Americans tabled on the 18th April, in an endeavour to get the Russians to enter into constructive and detailed negotiation. We have several times told the Soviet Delegation that this is not a "take it or leave it" draft. We have said that it is open to negotiation and that we are very ready to consider any positive alternative proposals.

The Russian response has been entirely negative. They have refused any detailed and specific discussion of the new Western concessions and they have made no new proposals of their own. Indeed, on one matter of key importance, they have gone back on their previously agreed position. Instead of a single Administrator of the Control Organisation, they are now proposing an Administrative Council of three members, one each representing the Western Powers, the Soviet bloc and the uncommitted countries. This in our view would paralyse the work of the control system.

The Russians are also taking the line that the French nuclear tests make negotiation at Geneva impossible. Of course, as is well known, we are opposed to the French carrying out these tests. But it is clear that the Russians are using this only as another excuse for their refusal to negotiate. They have even suggested that we are in favour of the French tests because we are deriving military information from them. There is, of course, no truth in this. We have always refused to give the French nuclear information of a military nature and they have given us none.

As we said in our March statement, an agreement on nuclear tests, apart from its direct advantages, would provide a powerful impetus to agreement over the wider field of disarmament.

As you know, the Americans and the Russians have agreed, with the approval of the U.N. General Assembly, to have general disarmament discussions in June and July. We very much hope that these bilateral discussions will set the stage for a forward move over the whole field.

But the Russian behaviour at Geneva does not augur well. It is, of course, to a very large extent a question of mutual confidence and from this angle the forthcoming meeting in Vienna between the President and Khrushchev will, we trust, be productive.

With best wishes.

Yours sincerely,

DUNCAN SANDYS

111.

DEA/50271-M-40

*Le secrétaire d'État aux Affaires extérieures
au secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)*

*Secretary of State for External Affairs
to Secretary of State for Commonwealth Relations (United Kingdom)*

CONFIDENTIAL

[Ottawa], June 1, 1961

Dear Mr. Sandys,

Thank you for your letter of May 27 giving me your assessment of the present position in the negotiations at the Nuclear Tests Conference in Geneva. I very much appreciate the arrangements which have been made to keep us fully informed of the course of these negotiations.

The important and constructive steps which you and the United States have taken to meet some of the Soviet objections to earlier proposals have of course been noted here with full approval. I share your concern at the hardening attitude and uncooperative response so far demonstrated by the representative of the USSR.

Success in these talks would certainly improve the atmosphere for general disarmament discussions, and the continued deadlock, in spite of the efforts of the United Kingdom and United States, is very disappointing. Nevertheless it is my sincere hope that the difficulties now being experienced in Geneva will not be allowed to prejudice the forthcoming bilateral USA-USSR disarmament discussions or the prospects for a resumption of general disarmament negotiations later this summer. The USSR will be quick to blame the Western countries if arrangements cannot be made to resume general negotiations on disarmament and I am sure you will agree that it is very important not to give them any pretext, arising from the difficulties in the Tests Conference in Geneva, for shifting responsibility to the West.

Yours sincerely,

H.C. GREEN

112.

DEA/50271-M-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 N-64

Ottawa, August 31, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, NATO Paris (OpImmediate), Paris, Geneva, Permis New York, Bonn, Rome, CCOS Ottawa (Waldock) (Routine).

By Bag Moscow.

CALL OF UNITED STATES AMBASSADOR

When USA Ambassador Merchant came to see me this afternoon on Berlin military preparedness and related matters our talk included reference to the Soviet announcement of their intention to resume nuclear testing and the possible area of negotiability on Berlin.

2. On reactions in the United States to Soviet announcement, Merchant said that there was a conviction in Washington that Khrushchev had made a great mistake. Coupled with concern that the threatening tone of the Soviet announcement was sense of relief that Khrushchev had taken upon himself the responsibility to resume testing. Merchant did not think that there would be any early decision to resume tests and if such tests were resumed they would be limited to underground. Full opportunity would be taken at the United Nations as well as at the Belgrade Conference of the uncommitted nations to allow the implications of the Soviet decision to sink in.

3. As regards effects on disarmament Merchant did not think that this would affect the United States efforts to enter into discussions with the Soviet Union or to present their plan which was the best that had been put together since the war.

4. The views I expressed to Merchant on the Soviet announcement were based on the statement approved by the Prime Minister and released to the press this morning⁵⁰ as contained in telegram you have already received.

5. As regards Berlin Merchant noted the disregard of world opinion reflected in the Soviets' position on resuming nuclear tests as well as building up a wall in the centre of Berlin and cutting off the flow of refugees. Taken together he thought they represented a toughening of the Soviet position.

6. Asking about possible areas of negotiability in the Western position Merchant listed mainly those narrow issues in the Western position which had been incorporated earlier in East-West negotiations on Berlin in Geneva such as in movement of military forces, reciprocal restraint on propaganda and subversive activities that might endanger the peace, reduction of troop strength and exclusion of nuclear weapons from Berlin. When asked whether *de facto* recognition of East Germany might be offered as a *quid pro quo* for Communist concessions to the West, Merchant replied that that would depend on what constituted *de facto* recognition. The United States would be prepared to work out practical arrangements on such matters as access to Berlin with the East German authorities and accept contacts with East German officials for this purpose but would not repeat not be prepared to offer *de jure* recognition of

⁵⁰ Voir/See "PM Cautions West Against Hasty Action," *Globe and Mail*, September 1, 1961, p. 1.

the East German régime. Merchant did not think that the Soviet Union and the East German authorities were interested in *de facto* dealings only.

7. On the possibility of bargaining recognition of the Oder-Neisse line against Communist concessions, Merchant said had been a matter of principle with the USA not to recognize this line until a duly elected all-German government was in a position to accept responsibility for such a position.

[H.C.] GREEN

113.

DEA/50271-M-40

*Note de la Direction des Nations Unies
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], August 31, 1961

SOVIET ANNOUNCEMENT ABOUT RESUMING NUCLEAR WEAPONS TESTS

The Soviet announcement this morning about resuming nuclear weapons tests has produced a general reaction of "shock" in Western countries. Some United States Senators regard the announcement as a propaganda blunder and others see it as bringing nuclear war nearer. I wonder whether any of these snap reactions has validity if we consider the impact of the Soviet announcement on United Nations members. In this regard, the timing of the announcement appears significant. It has been made on the eve of the Belgrade meeting of top-ranking leaders of certain non-aligned states. Surely the Soviet announcement was calculated to have an effect on that meeting. The uncommitted leaders, like those in the West, may be initially "shocked" by the suddenness of the Soviet announcement; they may see it as a very discouraging new trend in Soviet policy. However, they may also be persuaded that this Soviet move is one more in a series designed to show that the Soviet Union is serious about achieving a solution on Berlin and on the recognition of East Germany.

2. As well, the Soviet move could have been calculated to stampede uncommitted leaders into believing that the issue of war or peace was imminent. The fact that the announcement about resumed testing mentioned as well that super bombs were involved and that these could be carried by existing Soviet space rockets suggests that the Soviet strategists may be trying to cause panic in the ranks of the uncommitted and also in some of the countries of the West. In any event, the Soviet Union has demonstrated that it is not to be deterred from its purposes merely by the prospect that public opinion in Western and other countries may react unfavourably to the announcement about testing.

3. If the uncommitted leaders do regard the Soviet announcement as substantially increasing the danger of nuclear war, they may be more disposed than before the announcement to inject themselves into the East-West conflict concerning Germany. My assumption has been that the uncommitted states, certainly in the United Nations, would seek to steer clear of German issues as long as they remained cold-war issues and did not constitute an actual threat to international peace. If there appeared to develop an emergency in which war or peace seemed to be the issue, the "peace-makers," like Mr. Nehru, President Tito and even President Nasser, might consider themselves under some compulsion to act, in order to save the world from disaster.

4. The Soviet announcement may be intended to produce that kind of reaction. It could be turned to Soviet advantage because of the likelihood that the uncommitted states would exert more pressure on the West than on the Soviet Union to offer concession. If, for example, the

uncommitted leaders interpreted the Soviet announcement as an indication that Soviet leaders were in a dangerous mood, the uncommitted might shrink from irritating the Russians further and might instead appeal to the Western leaders to be reasonable and accommodating. In other words, the Soviet calculation in stampeding the uncommitted leaders would be that they would run in panic to the West for help rather than react strongly against the Soviet move. Moreover, the Russians could expect a similar reaction in some Western countries by “ban the bomb” groups and others.

5. If the uncommitted states do react in the manner suggested, they will undoubtedly carry their campaign to save the world from disaster into the 16th session of the General Assembly. The results of the Belgrade Conference could be very significant in this regard. The West may still find itself in the defensive in the Assembly, even though the Soviet Union appears to have burned its bridges as regards negotiations on tests and disarmament generally and even though the substantive Western position on both has been greatly improved. As well, the Western powers might find themselves hard pressed to defend their position in West Berlin. These could all result from a panic reaction by the uncommitted states to this most recent Soviet move.

6. If this analysis is correct, presumably the Western powers should do what they can to prevent a stampede. One way would be for the West to remain calm in the face of the Soviet announcement which, in essence, is merely an extension of the tough policy of the past few months. Western leaders should try to avoid hysteria at home and abroad by expressing firm determination not to be driven to extremes on their side, by demonstrating their preparedness for the worst but by emphasizing their willingness and readiness not to lose any opportunity to negotiate their way out of the present difficulties. They could appeal to all concerned not to be alarmed by Soviet bluster. This could have a calming effect on the uncommitted states. On the other hand, too much shock, alarm, despondency and bravado in Western countries could have the opposite effect.⁵¹

G.S. MURRAY

114.

DEA/50271-M-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], September 6, 1961

UNITED STATES DECISION TO RESUME NUCLEAR TESTING

The United States decision to resume nuclear testing gave rise to certain comments by the Prime Minister.

2. The Prime Minister's first reaction last evening on learning the news was to say that he could not understand the President's decision and that he thought it “preposterous.” Mr. Diefenbaker did not dissent when I conveyed the suggestion that it would be wise to withhold press comment although he expressed concern that the statement he had made earlier in the day (about the Anglo-American appeal to the U.S.S.R.) looked “incongruous” now. In the event, no statement was issued last night.

⁵¹ Note marginale :/Marginal note:

This is very much to the point. [N.A.] R[obertson]

3. First thing this morning, the Prime Minister again expressed his misgivings in very strong terms, adding that he was annoyed that the Canadian Government had been given absolutely no warning of the United States decision. As I mentioned to you on the telephone, he asked me to secure an immediate report on the circumstances in which the decision had been taken and the reasons why it had apparently been communicated only to the U.K., French and German Governments.

4. After speaking to you, I again saw the Prime Minister just before Cabinet and conveyed once more your advice that it would be best not to make public comment on the United States decision, at least for the moment. I took the line that the absence of comment was probably the best way of conveying our misgivings. The Prime Minister implied that this was perhaps a shade too subtle and said he was tempted to say something which would reflect Canadian concern. I said that the Russians would be encouraged by any signs that the Allies of the United States were in disagreement with the United States decision and that if we could not give clear support, it would be better to remain silent. The Prime Minister did not seem convinced and, although he refused to comment on this question when speaking to reporters on the way to Cabinet, we may not have heard the last of this.⁵²

H.B. R[OBINSON]

115.

DEA/50189-C-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 N-67

Ottawa, September 11, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: NATO Paris, Paris, Washington, London, Geneva, Bonn, Rome, CCOS Ottawa (Waldock), Delhi, Cairo, Tokyo (Routine).

By Bag Copenhagen, Oslo, Stockholm, Karachi, Dublin, Accra, Mexico, Buenos Aires, Hague, Colombo, Kuala Lumpur, Moscow, Belgrade, Warsaw, Canberra, Wellington, Lagos.

DISARMAMENT – SIXTEENTH UNGA

Following is the text of substantive paragraphs of a memorandum approved by the Minister which discusses the broad outlines of the Canadian position at the 16th UNGA on Disarmament, discontinuance of nuclear tests, and prevention of the wider spread of nuclear weapons. Text begins.

2. *General.* Since the end of the 15th Session, Soviet policy on questions of disarmament and nuclear tests has reflected an uncompromising position which it will be important for the

⁵² Le Premier ministre n'a fait qu'une brève déclaration concernant la reprise des essais nucléaires américains. Voir Canada, Chambre des Communes, *Débats*, 1960-61, volume VIII, pp. 8464 à 8473. Le ministre avait fait une déclaration plus longue le 7 septembre. Voir *ibid.*, pp. 8351 à 8357. Pour connaître la réponse des Américains à la déclaration de Green, voir le document 270.

The Prime Minister made only a brief statement on the American resumption of nuclear testing. See Canada, House of Commons, *Debates*, 1960-61, Vol. VIII, pp. 8167-75. A longer statement was made by the Minister on September 7. See *ibid.*, pp. 8060-66. For the American response to Green's statement, see document 270.

Western Powers to attack effectively at the forthcoming session. The latest Soviet move in unilaterally abandoning their commitment to abstain from nuclear tests makes forceful Western action even more imperative. Moreover, in view of the degree of international tension engendered by the Berlin crisis – which may well increase during the period of the General Assembly – it will be important for the Western allies to be as united as circumstances will permit in their approach to problems of this kind, where the Soviet Union is not on firm ground and is likely to try to discredit the Western position by “unmasking” an alleged unwillingness to get on with disarmament and by seeking to “uncover” points of difference within the Western side.

3. The most effective way of refuting Soviet allegations will be to concentrate on a positive and forceful exposition of the Western disarmament plan, Western views on “principles,” and the overriding necessity of reaching speedy agreement on the cessation of nuclear tests, while at the same time demonstrating flexibility on procedural matters such as the question of composition and making plain the Western desire to move ahead quickly with serious multilateral negotiations. To some extent it will be necessary in pursuing this objective to adopt a negative line – the refutation of Soviet propaganda statements – but this approach should not be given the main emphasis lest it lead the uncommitted countries to believe that the West is concerned only with winning a “cold war” battle. Instead, the Western Powers should take full advantage of one of the major differences between this year’s session and last – that the Western Powers now have well-founded, carefully reasoned and attractive proposals to put forward in each of the areas concerned. Thus, we should attempt to convey, in as convincing a manner as possible, that the Western plan is a substantial advance from previous Western positions and clearly represents a desire to achieve a comprehensive programme of disarmament under effective control; that it takes full account of important statements such as that contained in the Commonwealth Prime Ministers’ communiqué; that as a result of careful study and willingness to compromise it has taken a significant step toward meeting the views of the Soviet Union; and finally that the Western position is being put forward as a basis for serious multilateral negotiations during which the Western Powers would be ready to modify their views to meet any new Soviet proposals of a sincere and practicable nature.

4. Canada can and should play an important role in this exposition because we have participated fully in the drafting of the new Western plan and statement of “principles,” and because we have continued to exercise all our influence toward reaching a satisfactory solution to the related problems of nuclear tests and the prevention of the wider spread of nuclear weapons. Our main effort should be directed toward private diplomatic initiatives designed to convince the smaller and middle powers of the validity of the new Western approach, and to encourage them to give their active support to the early resumption of negotiations on a reasonable basis. Canadian initiatives in this direction should be supported by a forceful statement in the general debate and by timely and energetic interventions in committee, but we should try to avoid committing ourselves to any one approach to the problems involved – whether substantive or procedural – until the extent of common ground between the United States and the Soviet Union and the reactions of the smaller powers to the initial Western exposition are clearer. Action along these lines should preserve our ability to influence the final outcome of the debate in the more decisive period when decisions are to be taken on resolutions before the Assembly.

5. *Disarmament.* If, as now seems likely, the resumed United States-Soviet bilateral talks should fail to produce concrete results, it is assumed that the new Western plan and probably

the statement of “principles” will have been made public during the first days of the general debate, if not earlier.⁵³

6. Our main object in the debate on general disarmament should be to show that if the bilateral talks – on which the Assembly placed considerable hope last spring – failed to achieve results, it was not because of Western policies or tactics. As suggested above, the best way to achieve the impression that the Western position has significant merits in its own right will be to demonstrate that the United States conducted their side of the talks from the very beginning in a manner designed to achieve a resumption of serious and constructive disarmament negotiations. Because the allies were not present at these talks (and also because French disagreement is likely to make a fully coordinated approach impossible), the United States will have to initiate discussion of the points involved in setting forth this case.

7. Canada can exercise considerable influence in promoting a favourable reaction from the members of the United Nations:

(a) *Where questions of substance are concerned, by assisting in the presentation of a carefully reasoned and at the same time attractive outline of the new Western plan.* The fact that the West has a new plan incorporating many important features not present in previous versions should be kept well to the foreground and contrasted with Soviet unwillingness to make any move forward. No opportunity should be lost in emphasizing that the Western plan contains significant proposals for nuclear disarmament, the reduction of “strategic vehicles,” the prevention of the further spread of nuclear weapons, etc., all of which are additions to earlier plans. The fact that Canada has continually pressed for early measures to deal with nuclear weapons and missiles will make a Canadian presentation of these new features all the more effective. Similarly, the new plan makes it very plain that the Western Powers are prepared to negotiate as comprehensive a series of measures as possible, and to put them into effect at the earliest possible time, both of which are very important points in meeting the wish of smaller and middle powers to get on with disarmament and in refuting the Soviet claim that they alone are interested in disarmament while the West concentrates on “partial measures” and “legalized espionage.”

(b) *By supporting the present statement of “principles” if resolutions along this line are debated.* As a member of the Commonwealth, and as a middle power, Canada should concentrate on revealing the evident development in the “principles” paper toward the views expressed in the Prime Ministers’ communiqué, and the resolution on this subject which was submitted last year by India and a number of other uncommitted countries. We should also argue that the Western “principles” as they now stand would be a useful guide to future negotiations, while again asserting that we would be receptive to reasonable suggestions which the Soviet Union or other members of the United Nations might wish to put forward on this question.

(c) *By further efforts to achieve a reasonable compromise on the question of composition.* While continuing to support the composition of the Ten-Nation Committee, plus an impartial

⁵³ Le plan a été annoncé par le président Kennedy dans un discours à l’Assemblée générale le 25 septembre. Voir Nations Unies, *Documents officiels de l’Assemblée générale*, seizième session, 1013^{ème} séance, le 25 septembre 1961, pp. 60 à 64. Voir aussi « Declaration on Disarmament : the United States programme for general and complete disarmament in a peaceful world. » Nations Unies, *Documents officiels de l’Assemblée générale*, seizième session, Annexes, 1961-1962, document A/4891, pp. 21 à 23.

The plan was announced by President Kennedy in a speech to the General Assembly on September 25. See United Nations, *Official Records of the General Assembly*, Sixteenth Session, 1013th Meeting, September 25, 1961, pp. 55-59. See also “Declaration on Disarmament: the United States programme for general and complete disarmament in a peaceful world.” United Nations, *Official Records of the General Assembly*, Sixteenth Session, Annexes, 1961-1962, document A/4891, pp. 22-25.

chairman and perhaps other impartial officers, we should encourage the development of a Western position which will make clear that resumption of negotiations should not be delayed as a result of disagreement on this subject alone. In private, we should try to persuade the United States to give serious consideration to the Soviet 5-5-3 formula, and to give full weight to the wishes of the neutrals themselves in deciding the extent to which their representatives would participate in the work of the negotiating body. We should also try to ascertain from the Soviet delegation whether they are still prepared to accept this formula, and if so, whether they show any sign of willingness to accept a compromise on the status of the 3 neutrals. In our public statements we should show plainly that the West is prepared to agree to any reasonable composition, and we should be very careful not to give the impression that we are less willing than the Soviet Union to accept the inclusion of neutrals in the negotiating body.

(d) *By working for procedural arrangements which will assist the work of any negotiating body which may be agreed.* Depending on the character of the debate, and on the attitudes shown by influential uncommitted countries or other states not directly concerned with disarmament negotiations, we may wish to pursue some of the ideas which were contained in the Canadian Resolution put forward at the last session, especially the need for effective means of communication between a future negotiating body and the United Nations, and any smaller committees within the United Nations Disarmament Commission which might be required to strengthen the role of the commission. Our main point of emphasis in this context should be to continue pressing for the resumption of negotiations which will be so organized as to have a greater chance of success than other attempts which have been made in recent years. Should it become clear during the course of the debate that there is no prospect of arranging a resumption of negotiations, we will need to reconsider – in the light of circumstances at the time (particularly East-West relations and the situation in Berlin, and the views expressed by smaller and middle powers at the Assembly) – what means could best be used to apply continued pressure to resume disarmament negotiations, and to keeping the urgency of the disarmament problem before the public and the members of the United Nations. A move to convene the Disarmament Commission or to try to devise another United Nations forum are both possibilities, but we should not commit ourselves to this or any other specific solution until later in the debate when the temper of the Assembly can be more adequately assessed.

8. *Nuclear Tests.* While the Indians have submitted their customary item on this subject, one major difference between this session and previous years is that the United Kingdom and the United States, the two main Western nuclear powers, have themselves taken the initiative on the question of tests by submitting their own item. In addition, the Soviet action with respect to the moratorium, resulting in the resumption of testing by both sides, has been a severe shock to world public opinion and should be used to highlight dramatically the urgent necessity to achieve a final cessation of nuclear tests. Canada, which has always adopted a very firm position on the question of tests, should take full advantage of these developments in explaining its position to the Assembly.

9. From the outset we should make plain that Canadian policy has been firmly opposed to the testing of nuclear weapons. This unequivocal stand adds considerable strength to our ability to influence the non-nuclear powers, particularly the uncommitted states, and it should be used to the greatest extent possible.

10. We should go on from this statement of our basic position to stress the importance we attach to reaching lasting agreement on the cessation of nuclear tests. The withdrawal by the Soviet Union and the United States from their undertaking not to test has shown very clearly that a voluntary moratorium does not by itself provide a reliable assurance that testing will not be resumed. The delegation should therefore leave no doubt that a carefully worked out treaty

containing provisions for effective international control is the only satisfactory solution to the problem of testing in the long term.

11. In support of this position we should argue that while we fully share the widespread desire to avoid further testing, we wish to go further by ensuring that tests will be stopped once and for all, and their cessation guaranteed by an international treaty which will ensure, through agreed arrangements for verification and inspection, that all parties are living up to their obligations. In our public statements we should make plain that resolutions which are introduced in the Assembly should emphasize the urgency of achieving international agreement among the nuclear powers, and that only those which do can be expected to receive full Canadian support. We should also argue that while it cannot be expected that all members of the United Nations will accept the United Kingdom-United States proposals on this subject they should recognize at least that these countries *have* reasonable proposals and are prepared to negotiate; that the Soviet Union should show a willingness to consider these proposals; and that in these circumstances an effective agreement could still be achieved.

12. *Prevention of the further spread of nuclear weapons.* The Irish have again requested the inclusion of an item dealing with the prevention of the further spread of nuclear weapons. However, the tactical situation has altered considerably from last year as a result of the inclusion in the first stage of the Western disarmament plan of a clause prohibiting the further dissemination of nuclear weapons. This fact should make it a good deal easier for the West to argue convincingly not only that a solution through international agreement is the only satisfactory one, but that the Western powers have now included concrete proposals to this end in their plan. Canada, which stressed the importance of a solution through international agreement at the last session, should also lay considerable stress on this point in statements during the debate.

13. In order to make this point effectively in any resolution which the Irish may eventually introduce, we should initiate consultations with their delegation at the outset of the Assembly with a view to persuading them to emphasize the importance of multilateral agreement on this subject rather than temporary unilateral measures which provide very little assurance that an effective prohibition has been achieved. We should argue that we ourselves share their views as to the importance of dealing with this problem (as is shown by our support for their resolution last year) and that we believe that the new Western plan has gone a long way toward meeting their views. We would hope that their resolution will reflect a recognition of this point by emphasizing the importance of international agreement. To do otherwise, particularly by placing great stress on the need for unilateral measures outside a disarmament agreement, will only serve to support the propaganda activities of the Soviet Union, which has shown quite plainly that it has no real interest at this time in taking concrete steps to meet this problem.

14. We have recently received from our ambassador in Dublin a copy of a "preliminary draft" of a resolution on this subject which was given him by the Irish Foreign Minister. (Copies of the draft resolution and the ambassador's covering letter are being sent you separately.)† It appears from this text that the Irish are in fact working along the lines suggested above. The delegation should therefore lose no time in putting our views to the Irish delegation, with a view to supporting this approach and ensuring that possible pressure from the Soviet Union, or less moderate delegations among the uncommitted countries, will not persuade them to alter their draft along less acceptable lines. Text ends.

116.

DEA/50271-M-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 2893
SECRET. PRIORITY.

Washington, September 14, 1961

Reference: Your Tel N-66 Sep 9.†

Repeat for Information: NATO Paris, Paris, London, Permis New York (Priority), Bonn, Rome, Geneva (Priority) from Ottawa, CCOS Ottawa (Waldock) from Ottawa.

USA RESUMPTION OF NUCLEAR TESTS

While seeing Richard Davis, Deputy Assistant Security for European Affairs, and later Secretary Rusk yesterday on other matters I took the opportunity of conveying to the State Department the views set out in your reference telegram concerning the lack of prior notification of USA decision to resume underground nuclear weapons tests.

2. As you are aware the Secretary had earlier expressed his regret that there was no repeat no prior notification in this instance and yesterday his principal comment was to indicate that in view of the very strong congressional reaction to the resumption of Soviet testing the line had been held over the labour day weekend only with difficulty. While the Secretary did not repeat not say so specifically it is my definite impression that while the various considerations relating to the timing of the announcement of USA decision were canvassed the decision itself was taken at White House level in the light of both international and domestic considerations.

3. You will no repeat no doubt wish to take an early opportunity in New York to discuss with USA and other delegations the position with respect to possible UN action with regard to nuclear tests. In this connection we are repeating text of USA reply to Japanese note on nuclear testing in which USA Government reaffirms its earnest desire that an international inspection and control will be concluded without delay. To this end USA has asked for full and complete consideration of the urgent need for an effectively controlled treaty banning nuclear weapons tests at the forthcoming Sixteenth General Assembly of UN.

[A.D.P.] HEENEY

117.

DEA/50189-C-40

*Note du chef de la Direction du désarmement
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Head, Disarmament Division,
to Assistant Under-Secretary of State for External Affairs*

SECRET. CANADIAN EYES ONLY.

[Ottawa], September 19, 1961

DISARMAMENT: VISIT OF THE SOVIET AMBASSADOR

You asked for an outline of points which might be made with respect to disarmament and nuclear tests during your interview with the Soviet Ambassador.

Disarmament

2. If the Soviet Ambassador calls after September 21, when the United States representative (perhaps President Kennedy) is due to speak at the General Assembly,⁵⁴ it may be possible to centre your comments on disarmament on the main features of the new plan which is likely to be made public at that time. If the plan has not yet been released, I would suggest that the best approach might be through a more general exposition of Canadian views, perhaps along the following lines:

(a) The overriding consideration for Canada is to get disarmament negotiations started again;

(b) The purpose of the United States-Soviet bilateral talks, as we understood them, was to achieve this end by agreeing on a suitable composition and statement of "principles." We regret that full agreement has not yet been reached. We consider however, that it is even more imperative in this time of crisis for the powers principally concerned to make a renewed effort to achieve a satisfactory basis for resumed negotiations;

(c) We consider that the latest United States statement of "principles" represents a real effort to meet the Soviet point of view, the position expressed by India and other countries at the 15th session, and the Statement of the Commonwealth Prime Ministers;

(d) Canada is flexible on the question of the composition of the negotiating body. We would prefer a body the size of the Ten-Nation Committee with the addition of an impartial Chairman and perhaps one or two impartial officers. However, we are prepared to consider other suggestions. Does the Soviet Union still favour the 5-5-3 composition suggested privately by Mr. Gromyko at the 15th session? If so, what status does the Soviet Ambassador consider the three neutrals would have?

(e) Canada will also work for an effective relationship between the United Nations and any future negotiating body. The Soviet Ambassador will be familiar with the ideas contained in the resolution submitted by Canada and others at the 15th session with a view to improving the effectiveness of this relationship and the efficiency of the Disarmament Commission, through the establishment of sub-committees and other suitable arrangements. These ideas still seem to us to be valid.

Nuclear Tests

3.(a) The Soviet Ambassador will be familiar with the firm opposition of the Canadian Government to the testing of nuclear weapons.

(b) Canada therefore attaches the greatest importance to achieving lasting agreement on the discontinuance of nuclear weapons tests.

(c) The recent action of the Soviet Union regrettably shows that a voluntary moratorium can be denounced at any time, and points up the necessity of ensuring that nuclear tests will be stopped permanently by agreement at the earliest possible time on an international treaty containing safeguards designed to guarantee that all states live up to their commitment not to test.

4. The above comments are based largely on the Under-Secretary's memorandum to the Minister of September 6† suggesting lines which the Canadian Delegation should follow at the 16th session (Telegram N-67 of September 11 containing the text of this memorandum is attached).⁵⁵

⁵⁴ Kennedy a prononcé son discours le 25 septembre. Voir Nations Unies, *Documents officiels de l'Assemblée générale*, seizième session, 1013^{ième} séance, le 25 septembre 1961, pp. 60 à 64.

Kennedy's speech was made on September 25. See United Nations, *Official Records of the General Assembly*, Sixteenth Session, 1013th Meeting, September 25, 1961, pp. 55-59.

⁵⁵ Voir/See document 115.

5. You also asked about the possibility of raising with the Soviet Ambassador Canadian views as to Arctic inspection which have been discussed on a number of occasions and were put forward again by the Prime Minister at the outset of the 15th General Assembly. While this proposal is one to which we will no doubt wish to return later on, I think on balance that it would probably be best not to pursue it with the Soviet Ambassador at this time. You will recall that there was considerable opposition in the NATO Council to the section of the new disarmament plan referring to “zones of aerial and ground inspection” (largely as a result of French and German fears that it would lead to proposals for zonal disarmament). While we do not share the views of the French and Germans on this point, it would probably not be timely, in view of their strong opposition, to raise it again with the Soviet Ambassador especially since the section of the plan which relates to this point has now been amended.

K.D. MCILWRAITH

118.

DEA/50271-M-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], October 24, 1961

UNGA FIRST COMMITTEE: NUCLEAR TEST RESOLUTIONS

This memorandum summarizes a series of telephone calls last evening and this morning concerning the highly confused and difficult procedural situation which has developed in the First Committee in connection with the Six-Power (now eight with Pakistan and Iran) Resolution on the 50-megaton bomb.

2. By pre-arrangement when the debate resumed yesterday afternoon, the Norwegian representative, Hans Engen, moved that priority be given to the Six-Power Resolution and be voted on at once. Unfortunately, some other members of the Six-Power group also spoke in a similar sense, which tended to diffuse the efforts of the co-sponsors to gain a quick procedural decision. The Indian representative, Mr. Chakravarty, then intervened, to say on instruction from his Government his delegation could not accept the legality of the move for priority, as priority had already been given to India's own resolution over that of the United States and Britain – the only two resolutions originally before the Committee. General debate on these other two items had already begun and the Indian delegation would have to insist on a two-thirds majority vote to set aside the priority already given to their item.

3. The Soviet-bloc countries then mounted a massive filibustering counter-attack on the move for priority and by marshalling one speaker after another managed to consume the entire time remaining for the afternoon discussion. At one stage the Argentine chairman Amadeo tried to adjourn what was in effect a continuation of the general debate on the other two items before the Committee with the intention of reconvening it to discuss the Six-Power Resolution, but this move did not gain support from the floor. In the end Hans Engen made a short statement deploring the undignified debate that had developed over the question of priority, and withdrew the motion.

4. It was at this point that word began to reach New York that a very large explosion, possibly one of 50-megaton size, had taken place in the Soviet Union. As this injected an entirely new element into the debate – whether or not the *raison d'être* for the Six-Power Resolution had disappeared – the chairman adjourned the meeting.

5. It is perhaps worth recording that a senior member of the Soviet delegation then spoke to Mr. Ritchie saying that since the explosion was “all over” why did the six powers not withdraw their draft resolution. Mr. Ritchie expressed the Canadian Government’s horror and disappointment at this private confirmation that a major detonation had taken place (no member of the Soviet bloc had publicly stated as much), but only evoked the reply that the text was regarded by the Soviet Government as “necessary.”

6. After the Committee rose the co-sponsors met to discuss next steps. The Danish representative read a statement received from his Prime Minister stating that the 50-megaton explosion had taken place in the Soviet Union. The Danish representative thought this meant that there was no point in pursuing the resolution further. Uden (Sweden) supported him adding, that since it would take at least two days to extricate ourselves from the procedural confusion, it would be sensible to withdraw the resolution. The Japanese on the other hand were reluctant to give up so readily. Mr. Ritchie took the line that we should not withdraw the resolution unless some clear confirmation was received from the Soviet Union itself that they had in fact detonated a 50-megaton bomb. Some preliminary consideration was given to a Danish proposal that there be a declaration by the co-sponsors stating that the group had noted reports that the explosion had taken place and registering the shock and disappointment of themselves and all peoples. The group closed their meeting by agreeing to meet at 10 a.m. this morning and meanwhile to say nothing to the press except that the resolution still stood and plans for the next step were being considered.

7. In telephone conversations late last night and again early this morning the Minister reiterated his instructions that the Canadian delegation should not agree to abandon the draft resolution. The delegation was instructed to take the line that on the basis of seismographic recordings of an explosion of 30 megatons, and in the absence of confirmation from the Soviet Union that one of 50 megatons had taken place, the international community had no choice but to assume that a 50-megaton explosion might yet occur. They therefore had no alternative but to proceed on the assumption that the original purpose of the resolution still had validity. The Minister felt that Canada would suffer a considerable public defeat if the resolution were withdrawn without a fight and asked the delegation to make a determined effort to win over the Afro-Asian bloc (none of whom had participated in yesterday’s debate) who clearly held the key to the procedural impasse.

8. Hans Engen of Norway, who has taken over from the Danes the procedural management of the Six-Power Resolution, was to see the chairman Amadeo (Argentina) at 10 a.m. to see whether there was not some procedural device or precedent which would permit the chairman to set aside the general debate in order to allow priority to be given to the Six-Power Resolution. The Committee was to meet from 10:30 to 1:00 and then adjourn for the United Nations Day ceremonies. Mr. Ritchie was not optimistic that any progress could in fact be made in so limited a time.

9. In conveying the Minister’s instructions by telephone to Senator Brooks, the following points were suggested as lines of action to be taken by the Canadian delegation:

(1) both within the Six-Power group and in the Committee the line should be taken that the 50-megaton bomb had not definitely been detonated and that the justification for the resolution remained;

(2) that an attempt should be made to swing Afro-Asian opinion behind the resolution – perhaps by having the Japanese convene and speak to the Afro-Asian group;

(3) that a Canadian statement should be prepared for use in the Committee this morning which would record publicly in strong terms the Canadian determination to press ahead with the appeal to the Soviet Union.

119.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 26, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Solicitor General (Mr. Browne),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Forestry (Mr. Flemming).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

UNITED NATIONS RESOLUTION ON RUSSIAN 50 MEGATON BOMB TESTING;
 ATTITUDE OF RUSSIA TO WORLD OPINION

1. *The Secretary of State for External Affairs* said that the results of Canada's successful efforts to have the United Nations register its objections and address an appeal to Russia to cancel its plans to explode a fifty megaton bomb had been good. The Russians had tried a series of procedural moves to block the resolution in committee but without success. The vote held on Tuesday, October 24th, showed 75 countries in favour of the resolution, 10 opposed and one abstention. The vote had isolated the Communist bloc. The outcome had been considered a diplomatic victory for Canada.

2. *The Minister of National Defence* said that he was worried over the resolution put forward by India. If a voluntary moratorium on tests were now agreed to, the U.S.S.R. would be finished this big series but could, as in the past, continue developing and manufacturing bombs, while the U.S.A. would be held up. It played into the Russian hands. To accept it would undermine the whole western position on controls.

3. *Mr. Green* noted that it was the kind of resolution which would be difficult to vote against. The U.S. and U.K. resolution was not too helpful, in that it only provided for negotiation. It would fail to arouse public opinion and Russia would not negotiate if she wanted to continue testing.

He emphasized that, if Russia had decided now to ignore world opinion, the whole policy of the West must be changed. He went on concerning the particular issue of testing to say that the U.S. might now have to return to testing. This would logically have to be opposed by Canada. Mr. Adlai Stevenson had admitted that President Kennedy had been foolish early in September to say the U.S. would start testing again. If this race continued there could be but one end.

4. *During the discussion* the following points were raised:

(a) Without inspection and other international controls the U.N. resolution to abstain from testing meant nothing. It would give the Russians the advantage – time to carry on their preparations, while others held off further development.

(b) Some said that every effort should be made to assemble a majority of world opinion on this issue. Progress could be made a step at a time.

(c) Although Canada's lead had brought about a major diplomatic victory which was popular at home, many segments of the population, including the dairy industry, were greatly concerned over the effects of the present publicity about fallout.

(d) Some felt that the press report of a statement by the Chairman of the Defence Research Board indicated views different from those of the government. Others said that his statement referred to present conditions of fallout and merely sought to allay some of the panic which was developing. There was in fact no contradiction.

(e) It was felt that there should be some co-ordination of statements being made by different government sources. Statements were being made by Health and Welfare and other agencies. There should be some clearing centre and statements on the subject should not be too technical.

5. *The Cabinet* noted the statement of the Secretary of State for External Affairs regarding the leading role played by Canada in having a resolution passed in the United Nations objecting to the testing of a 50 megaton bomb and appealing to Russia to desist from such tests.

...

120.

DEA/50189-C-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], November 16, 1961

INTERVIEW WITH GOVERNOR STEVENSON IN NEW YORK,
NOVEMBER 14, 1961

I attach for your information a memorandum recording an interview which I had with Governor Stevenson on November 14, in which we discussed disarmament, nuclear tests, the African resolution on nuclear weapons and Chinese representation.

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa, no date]

In response to a question from the Minister about Mr. Stevenson's expectations as to how the debate on disarmament would go in Committee One, *Mr. Stevenson* thought that *Zorin* would begin by repeating the established Soviet positions on both substance and procedure. He would probably assert that the idea of total and complete disarmament should be accepted before the consideration of international control measures and insist on composition of 5-5-5 by the negotiating forum.

Mr. Stevenson hoped the Committee would not become too concerned with details of the composition of the negotiating body, but would emphasize the urgency and necessity of resuming negotiations leaving the matter of composition to be settled bilaterally between the USA and USSR. As regards USA views on composition, there were several possibilities; they

would prefer to start with 5-5-10 formula, but in the last resort in order to obtain agreement *Mr. Stevenson* said he would be prepared to recommend acceptance of 5-5-3 composition.

In reply to a question from *Mr. Stevenson*, the *Minister* said he hoped that if it was necessary to reach agreement on composition, the possibility of 5-5-3 would not be ruled out. The *Minister* indicated that some thought had been given to a possible composition of the negotiating body in Ottawa and that one idea being considered was to add to the members of the Ten Nation Committee two states from each of the following areas, Africa, Asia and Latin America, under the chairmanship of the Chairman of the Disarmament Commission. This would amount to seventeen in all. He also recalled that Canada had suggested the addition of a neutral continuing chairman and two other officers from neutral countries. *Mr. Stevenson* said that either formula was acceptable to the USA.

He again emphasized that he hoped the Committee would put emphasis on the idea that the USA and USSR should agree on the composition of the negotiating forum and get started with the negotiations. His own experience in the bilateral consultations with *Zorin* made him wonder whether the Soviet Union was as serious in their intention to reach agreement on disarmament as they professed to be. The Minister stressed the importance of putting their good faith to a test in further discussions on disarmament.

The *Minister* recalled that *General Burns* had suggested that one way of getting over the obstacle the Soviet Union had placed in resuming negotiations on banning nuclear tests was to consider this as a first item in any resumed negotiations on disarmament. The Minister asked what the USA reaction might be to his suggestion. *Mr. Stevenson* replied that it would be a complicating factor if the negotiations were transferred to another body. The USA preferred that the negotiations on nuclear test ban should be resumed where they had been left off at Geneva, with the same participants. The aim should be to finish off the treaty. *General Burns* suggested that it might be possible to have the negotiations on nuclear tests conducted in the sub-committee and the set-up for negotiations on disarmament could thus consist of the same group which had been negotiating in Geneva. The Minister gave *Mr. Stevenson* a copy of the Canadian draft resolution on disarmament and *Mr. Stevenson* thanked him saying it could be useful in his further consideration of the matter.

Mr. Stevenson said that it was his impression that the Soviets were going to be stubborn about the nuclear test ban talks. He expressed the view that the passing of the Indian resolution on a moratorium banning the resumption of tests and the passing of the resolution sponsored by African countries outlawing the use of nuclear weapons might encourage the Soviet Union in their intransigence. The latter resolution put the USA in a difficult position as their defence against the Soviet Union was dependent upon nuclear weapons.

The *Minister* suggested that it might have been wiser for the NATO countries to agree on abstention rather than opposing the resolution which obviously had appeal not only to Africans but to public opinion everywhere, namely the desire to ban the use of nuclear and thermo-nuclear weapons. *Mr. Stevenson* said that none were more anxious to ban the use of these weapons than the people of the USA, but repeated the argument that since the defence of the USA and its allies depended upon these weapons they had no alternative but to oppose the resolution. The *Minister* suggested that tactics which had the effect of isolating the NATO countries on resolutions in the UN on issues reflecting majority opinion in the UN, made it more difficult to influence members of the UN on issues just as important to NATO. He said that on such questions NATO should not vote as a bloc in the UN. The *Minister* suggested to *Mr. Stevenson* that the position taken by the western countries over nuclear testing, and particularly in the vote against the 50 megaton bomb, had strengthened the western position in the UN. *Mr. Stevenson* said he was glad to hear this, but he repeated that the USA was still

unhappy about finding itself isolated from its friends on matters such as the resolution on the moratorium of nuclear tests and the African resolution outlawing nuclear weapons.

On Chinese representation, *Mr. Stevenson* outlined USA ideas on a resolution to establish a committee to be appointed by the President of the UNGA to study the question of the representation of China and related matters such as the enlargement of UN councils, reporting to the Seventeenth Session. He explained that it was the USA policy not just to keep communist China out of the UN, but to ensure arrangements that would keep nationalist China in. He did not see any other way of accomplishing this aim except through establishment of a committee which would study the matter. Some might interpret this as a way of postponing the decision for a year. Although it may have that results, the USA did not see any other way of working towards a solution which would enable Nationalist China to remain in the UN. The *Minister* said that while he favoured the idea of a study he would not be prepared to agree to Canadian co-sponsorship of a resolution. Opinion in Canada was divided on the issue of Chinese representation, and it would not be helpful to sponsor a resolution initiated by the USA. *Mr. Stevenson* said he understood, but was glad to hear that Canada might support the idea of the study. He wondered whether Canada might be prepared to serve on a study committee. The *Minister* indicated that such an idea would be regarded sympathetically.

G. IGNATIEFF

121.

DEA/50271-M-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. CANADIAN EYES ONLY.

[Ottawa], November 18, 1961

SWEDISH DRAFT RESOLUTION ON THE PREVENTION
OF THE FURTHER SPREAD OF NUCLEAR WEAPONS

The draft resolution on the above subject which Sweden has now submitted in the First Committee (text attached as Annex I to this memorandum)† has direct implications for NATO defence arrangements as well as Canadian policy on the acquisition of nuclear weapons. Accordingly, it will be necessary to give very careful consideration to the Swedish draft before deciding on voting instructions for the Canadian Delegation as well as the substance of an explanation of the Canadian vote.

Analysis of the Swedish Proposal

2. In essence, the Swedish draft calls on the Secretary-General to make an enquiry "as to the conditions under which" the non-nuclear powers would be willing "to enter into specific undertakings to refrain from manufacturing or otherwise acquiring" nuclear weapons and "to refuse to receive in future nuclear weapons on their territories on behalf of any other country." In his introductory remarks on the proposal in a statement before the First Committee on October 26, the Swedish Foreign Minister, Mr. Uden, gave a further indication of what he had in mind by speaking of a declaration by the non-nuclear powers that they did not intend to manufacture nuclear weapons or "permit stockpiling of such weapons on their territories for their own or some other state's account." He also compared his idea to the Rapacki Plan as a means of "sealing off" the countries concerned "from nuclear weapons," but commented that the Rapacki Plan concerned only Central Europe, whereas his proposal was universal in scope.

3. It is clear from the above considerations that the Swedish resolution as now drafted envisages an extremely stringent formulation of the prohibition of the spread of nuclear weapons. In effect it would create "denuclearized zones" in the countries to which it applied, since it would require countries to "enter into specific undertakings" not only to refrain from the manufacture of such weapons, but also from their acquisition by other means and, more important to Canada, their stationing on a nation's territory "on behalf of any other country." This last clause must, of course, be interpreted as prohibiting any arrangements for the stationing of nuclear weapons on Canadian territory *regardless* of whatever arrangements for control of the weapons might be agreed.

4. It may be argued that the resolution itself does not carry the implications just suggested because it only calls for a Secretariat "enquiry" which would not require states to take a position on the substance of the matter at this time. In my opinion, however, this argument cannot affect our attitude toward the resolution since its adoption would bring early action by the Secretariat which would then result in our having to take a stand on substance. In considering the Canadian attitude toward the resolution, we must therefore be prepared not only to justify our stand on what might be called the procedural question (whether the enquiry should be made) but also on the substance of the matter (how Canada would reply to any such enquiry).

Likely Attitude of Other States

5. Since the Swedish draft has only just been submitted in the First Committee, the total number of co-sponsors and the voting position of key delegations must remain in doubt for the time being. However, our latest information from the Canadian Delegation suggests that the resolution is likely to command fairly wide support.

6. Our Delegation has reported that the resolution has been submitted in the First Committee with Austria, Ceylon, Ethiopia, Libya and the Sudan as co-sponsors. According to the Delegation, Sweden is not seeking additional co-sponsors, although there could be others which would wish to join the present group. We will keep in close touch with our Delegation on this possibility.

7. Most Delegations apparently have not yet received firm voting instructions on the Swedish proposal, but some idea of their probable positions can be gained from their statements and voting on related resolutions which have already been adopted. It seems very likely that the *Communist bloc* will support the resolution, since the Soviet Representative has already referred to it in favourable terms in Committee. Judging by the co-sponsorship, and their votes on related resolutions (particularly the two African proposals), it is also probable that the majority of the *Afro-Asians* will support the Swedish draft, although it is possible that a number of French African states might abstain. The position of the *Latin American* group and states participating in *Western* alliances is more difficult to predict in the absence of further information, but a member of the Netherlands Delegation has suggested to our Delegation that an abstention seems to be the position which most NATO countries would be likely to adopt. (Among the *Scandinavians* themselves, our Delegation has indicated that the Danes and Norwegians will probably abstain, although they are far from happy with the resolution.) Of some interest in this context is the indication given our Delegation by a member of the Irish Delegation that they are inclined to view the Swedish proposal as complementing their own, and are likely to vote in favour of it.

8. In summary, on the basis of incomplete information available to us at this time, it seems likely that there will be numerous abstentions on the resolution but that very few states will vote against it. In the circumstances it seems probable that the resolution will be adopted by a sizeable majority, perhaps by two-thirds.

The Canadian Position

9. Canada has consistently taken a strong stand against all nuclear weapons tests and in favour of measures to promote nuclear disarmament and to prevent the wider spread of nuclear weapons. Our basic position on these questions, and the policy we have adopted with respect to relevant resolutions at this and past sessions of the General Assembly, makes plain that it would not be consistent for Canada to oppose the Swedish draft resolution. Moreover, the fact that the Swedish proposal is likely to obtain fairly wide support at the Assembly suggests that it would be unwise for Canada – or other NATO states – to take a stand in opposition to an initiative which reflects the concern of many states (particularly the uncommitted) over the dangers of the wider spread of nuclear weapons. For these reasons it would be difficult, in my opinion, to justify Canada *voting against* the resolution.

10. There are a number of reasons why it would also be very difficult for Canada to support the Swedish proposal. A vote in favour of the resolution would almost certainly be interpreted, both at the United Nations and in the eyes of public opinion, as constituting at least tacit approval of the basic purpose of the draft, i.e., the formation of a “non-nuclear club” comprising a broad range of states whose territory would in effect become “denuclearized zones.” Furthermore, support for the resolution could carry with it the implication that the Canadian Government was prepared to bind itself now, in advance of and in isolation from disarmament negotiations, to an undertaking which would spell out once and for all the conditions under which it would renounce the right to acquire nuclear weapons or have them stationed on Canadian territory. Finally, a vote in favour of the resolution could well be interpreted by our NATO allies (including the Scandinavian members, if they maintain their present position) as a significant development in Canadian policy with respect to the acquisition of nuclear weapons which in their eyes would be prejudicial to the interests of the Alliance. On the basis of these and similar considerations, it is my opinion that it would not be appropriate for Canada to *vote in favour* of the Swedish resolution.

11. The fact that Canada is sympathetic to the motives behind the Swedish proposal, and yet unable to vote in favour of it for a variety of reasons, suggests that *an abstention* is the most logical position to adopt in voting on this resolution. In casting an abstaining vote, I believe that we could, and should, give a very clear statement of our reasons for taking this position.

12. In summary, the explanation of our position, which parallels the statement we made last year on the Irish Resolution, might take the following form:

(a) Canada supports the underlying purpose of the Swedish resolution, namely, that early measures should be implemented to prevent the wider dissemination of nuclear weapons;

(b) However, no state can legitimately be expected to bind itself unilaterally – completely in isolation from agreement on either nuclear or conventional disarmament – to an undertaking which would remove for all time its freedom to acquire nuclear weapons or allow them to be stationed on its soil for purposes of self-defence;

(c) Furthermore, the proposed survey as to “the conditions under which” states would make such an undertaking would be likely to result in a large variety of divergent national views on this subject which would hinder rather than assist the adoption of effective and universally applicable measures designed to prevent the wider spread of nuclear weapons;

(d) The Canadian view is that the only fully satisfactory method of putting a stop to the further spread of these weapons is through broader international disarmament agreements applicable to the nuclear and non-nuclear powers alike, which would give all countries an assurance that the whole problem of nuclear weapons would be dealt with effectively;

(e) For these reasons, although Canada sympathizes with the motives of the co-sponsors, it is not possible for Canada to vote in favour of this resolution; Canada intends, however, to vote for the Irish resolution on this subject (see below) because this proposal makes plain that an

international agreement binding all powers is the best way to achieve the prevention of the wider spread of nuclear weapons. Attached for your consideration (Annex II)† is a draft statement incorporating the above points which might be made during the debate on this resolution or in explanation of the Canadian vote.

Related Proposals – The Irish Resolution

13. The draft resolution on the prohibition of the spread of nuclear weapons which has been submitted by the Irish Delegation (copy attached as Annex III)† meets all the points which we have raised in consultations on this subject. In my opinion, it would therefore be desirable to *vote in favour* of this resolution.

14. The main recommendation of the Irish resolution is that states should endeavour to conclude “an international agreement” under which the nuclear powers would “refrain from relinquishing control” over nuclear weapons to non-nuclear states, and the latter would “undertake not to acquire control of or to make such weapons.” This recommendation is fully in accord with the position we adopted on the Irish resolution at the 15th session, when the Canadian Representative said that “we consider that the only satisfactory way to dispel the dangers inherent in this possibility (i.e., the wider spread of nuclear weapons) is through international agreement on a comprehensive and carefully verified system of disarmament.” Furthermore, as far as we know, the resolution as now drafted is satisfactory to our NATO partners and is likely to be supported by virtually all of them.

15. Our support for the Irish resolution should assist us in stating our position on the recommendation contained in the Swedish draft. As suggested above, our basic argument would be that while we cannot support unilateral measures in this field which would be binding on us in isolation from any measures of disarmament, we strongly favour the adoption of appropriate international agreements as suggested in the Irish proposal. In my opinion, this argument represents a fully defensible position on this subject, which is consistent both with our strong desire to see early progress on nuclear disarmament and the necessity of maintaining our freedom of action until effective international agreements can be achieved.

...

Recommendation

17. In summary, I would recommend that the Delegation be instructed to *abstain on the Swedish resolution* and *vote in favour of the Irish resolution*, if they are brought to a vote in their present form. I would also recommend that the Delegation explain the Canadian position on these resolutions along the lines of the statements attached at Annexes II and IV to this memorandum.

18. I should be grateful for your reaction to the above comments and recommendations, in order that instructions may be prepared for our Delegation.⁵⁶

N.A. R[OBINSON]

⁵⁶ Notes marginales :/Marginal notes:

Returned by SSEA 20/11. R. C[ampbell]

Copy to be sent to PM less draft statement, but with copies of 2 resolutions, under short covering memo indicating when coming up. R. C[ampbell]

122.

DEA/50271-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 3154

Paris, November 22, 1961

SECRET. OPIMMEDIATE.

Reference: Candel Tel 2761 Nov. 17.†

Repeat for Information: Permis New York (OpImmediate), Washington, London, Paris, Bonn, Geneva, Rome, CCOS (Waldock).

16TH UNGA: SWEDISH RESOLUTION ON NUCLEAR WEAPONS

After its discussion of the African Resolution (reported in a separate telegram) Council this morning in private session turned to a discussion of the Swedish Resolution on the basis of the personal views of Permanent Representatives.

2. The Secretary-General introduced the discussion by saying that the resolution seemed to him to contradict NATO defence policy and that he therefore hoped all would agree that it was unacceptable. The French Permanent Representative agreed with this view stressing particularly the fourth preambular paragraph. I questioned this interpretation suggesting that this paragraph seemed to refer to an inquiry. It was certainly conceivable that the inquiry might lead to a difficult situation but I wondered whether we could reasonably oppose a request for an inquiry. The French Permanent Representative thought that to accept the request for an inquiry implied acceptance of the point of the question. I again differed from the French Permanent Representative, pointing out that this paragraph referred to the conditions under which an agreement might be reached. USA Permanent Representative wanted to know whether the fourth preambular paragraph applied to communist China and Danish Permanent Representative replied that the Swedes themselves did not repeat not know the answer to this question.

3. I received support from UK Permanent Representative who thought there was considerable difference between the Swedish draft and the African Resolution L-292. Swedish draft did not repeat not commit us even though it was dangerous and suggestive. He expected that UK would try to secure postponement of consideration of Swedish Resolution until Irish Resolution was discussed because that was the appropriate point at which to discuss it. There might then be a possibility of having the resolution withdrawn or amended to harmonize with the Irish draft. He would not repeat not wish to exclude the possibility of voting against the draft however and expressed dislike for preambular paragraph 3. But in the long run, he wondered whether, if the Alliance opposed all attempts to restrict the spread of atomic weapons, the Western image would not repeat not become distorted in the eyes of others.

4. USA Permanent Representative made a statement on instructions which will be distributed later. We shall telegraph this statement to you when we receive it. In summary, the USA was concerned over the implications of the resolution and feared that once more the effects would rebound on the Alliance by casting doubts on Western defence policy both in relation to future multilateral ownership and in relation to present and future arrangements for storage. Swedish Resolution played into the hands of those who hoped for disarmament by passing a stream of resolutions with an emotional content. The USA feared the continued split in NATO solidarity; it opposed the future spread of national nuclear capabilities; and would vote for the Irish Resolution. USA however considers that Swedish Resolution should be opposed. Italian,

Danish and Netherlands representatives took much the same sort of view as had been expressed by UK Permanent Representative and myself.

5. French Permanent Representative agreed with USA approach as also did the Belgian. The latter advanced the interesting suggestion that the answer to the inquiry contained in the Swedish draft had already been provided in the form of the Western peace⁵⁷ plan. He pleaded against a piecemeal approach to disarmament and in this was joined by USA Permanent Representative in a second intervention in which he said the Alliance should beware of agreeing to partial disarmament measures which would in practice, through well-sounding resolutions, apply to the West alone. Such resolutions took attention away from the fundamental question whether it was possible to control nuclear weapons under a disarmament scheme. By accepting too many resolutions of this sort, we were in danger of damaging our ultimate purpose of making sure nuclear weapons would be properly controlled.⁵⁸

6. Danish Permanent Representative added in the course of his remarks that his authorities were not repeat not happy about the Swedish initiative which they recognized would be difficult. On the other hand, the initiative had been taken and Danish public would not repeat not be able to understand it if Danish government voted against a resolution proposed by another Scandinavian state and containing nothing more than a request for an inquiry. To this Netherlands Permanent Representative replied that the ultimate damaging effect of the Swedish draft would probably be less than that of the African Resolution L-292 but he was unable to see why the Scandinavian members of the Alliance had to be so careful of Swedish initiatives. The Secretary-General picked this point up in his concluding remarks by suggesting that if the Swedes did not repeat not care enough about Danish and Norwegian governments' feelings to restrain themselves, there seemed to be no repeat no reason why Swedes should receive special consideration from Denmark and Norway. Finally, the Secretary-General said that he recognized that the final preambular paragraph was not repeat not a statement of policy but an inquiry. Nevertheless, if the resolution were adopted, it would lead to the creation of pressure groups within NATO countries to do what the inquiry in the resolution was obviously aimed at. Secondly, the Secretary-General doubted whether the new Secretary-General of United Nations should be asked to make enquiries of this nature. His concluding plea was that Sweden should be asked to drop its own draft resolution and vote for Irish Resolution.

[JULES] LÉGER

123.

DEA/50271-M-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 27, 1961

SWEDISH RESOLUTION ON NUCLEAR WEAPONS

In view of the information contained in telegram 3201 of November 25 from Mr. Léger (copy attached)† that a further discussion on voting on the Swedish Resolution would take

⁵⁷ Note marginale :/Marginal note:
U.S. Disarmament? [Auteur inconnu/Author unknown]

⁵⁸ Note marginale :/Marginal note:
No question of acceptance [Auteur inconnu/Author unknown]

place today (Monday), Ignatieff called Léger by telephone. Ignatieff stressed the point you had made to him about the undesirability of conducting parallel discussions on voting in Paris and in New York. The discussions in New York were obviously more profitable since they were conducted by those more fully aware of the various UN considerations and the changing tactical situation going on in the Assembly. In fact, such consultations were going on among representatives of NATO countries at this very time in which General Burns was representing the Canadian view. Mr. Léger was also told that there was probably no chance of the Canadian Delegation voting against the Resolution; it would be more probable that the Delegation would be voting for or abstaining.

2. Mr. Léger said that this information was very helpful since the meeting with other delegations slated for today had been postponed. He completely agreed about the undesirability of parallel and simultaneous discussions on UN votes going on in Paris and New York and recalled that he had made this point but he would make it again with greater emphasis. The initiative for these consultations came both from the Secretary-General as well as from the US Delegate on the grounds that the pattern of voting on nuclear weapons was important to NATO.

3. Mr. Léger strongly recommended that the Canadian Delegation should abstain on the Swedish Resolution particularly if, as he expected, Britain would be abstaining also. He thought that there was no chance of all NATO countries agreeing to an identical position since France and probably the United States would vote against.

N.A. R[OBERTSON]

124.

DEA/50271-M-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 27, 1961

SWEDISH RESOLUTION ON NUCLEAR WEAPONS

Livingston Merchant telephoned me about 5 p.m. this evening to ask us to vote against the Swedish Resolution on nuclear weapons. After expressing satisfaction at the changed voting on the African Resolution in plenary last week, Merchant said the U.S. Government is concerned at the implications of the Swedish Resolution, particularly in its reference to prohibition of storage facilities being granted to nuclear powers. (Reference is in paragraph 2 of Candel New York Telegram 2706 of November 15:† “Taking note of suggestion that an inquiry be made as to conditions under which countries not possessing nuclear weapons might be willing to enter into specific undertakings to refrain from manufacturing or otherwise acquiring such weapons and to refuse to receive in future nuclear weapons on their territories on behalf of any other country; ...”)

2. Merchant also said that the British Government had agreed to vote against the Resolution. This, I gather, is contrary to the earlier understanding we had from other sources that the British were going to abstain.⁵⁹

⁵⁹ Note marginale :/Marginal note:

Check with F.O. by phone. [Auteur inconnu/Author unknown]

3. I told Merchant that I would bring his comments to your attention.

N.A. R[OBERTSON]

125.

DEA/50271-M-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 27, 1961

SWEDISH RESOLUTION ON NUCLEAR WEAPONS – GENERAL BURNS' REPORT

Ignatieff spoke to General Burns at approximately 6 p.m. and was given the conclusions just reached at a meeting of representatives of NATO countries in the United Nations. Although it was felt that unanimity was highly desirable among NATO countries on this Resolution, the discussion revealed that this could only be based on abstention. The U.S.A. Delegation (contrary to Merchant's telephone message to the Under-Secretary) did not reveal that they had final instructions but referred to their general opposition to this Resolution as expressed in NATO. The French apparently have instructions that would permit them to vote against or abstain. Pressure was directed on the Scandinavians at the meeting to persuade them to abstain rather than vote in favour. Burns said that he would be confirming this report by telegram.

It was clear from the discussion at the meeting that no delegations had final instructions.

N.A. R[OBERTSON]

126.

DEA/50271-M-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. CANADIAN EYES ONLY.

[Ottawa], November 27, 1961

SWEDISH RESOLUTION ON NUCLEAR WEAPONS

I attach for your signature, if you agree, telegram No. N-126 to our NATO Delegation on the above subject. This message has been prepared in accordance with your comments on this resolution, and confirms the points made earlier today on the telephone to Mr. Léger by Mr. Ignatieff.⁶⁰

N.A. R[OBERTSON]

⁶⁰ Note Marginale :/Marginal note:
Signed by SSEA 28/11. R. C[ampbell]
Sent Tel. N-126 28/11. R. C[ampbell]

[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 N-126

Ottawa, November 27, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Telecon Ignatieff-Léger of Nov. 27.

Repeat for Information: Candel New York, London (OpImmediate), Copenhagen, Oslo (Emergency), Paris, Washington, Geneva, Bonn, Rome (Routine).

By Bag CCOS Ottawa (Waldock), Stockholm, Moscow from London.

16TH UNGA SWEDISH RESOLUTION

You will have seen the statement made by Candel New York (their telegram 2910 November 24)† in explanation of Canadian vote in plenary on African Resolution concerning the prohibition of nuclear weapons. In voting on Swedish Resolution, it will be important to take a position which is consistent both with that explanation and our more general policy on related proposals under consideration at the 16th Session.

2. Our preliminary examination of Swedish draft resolution suggests that the most consistent position for Canada to adopt is an abstention. We might then explain our vote along the lines of the following statement.

3. Text of proposed statement begins: Canada fully supports the basic desire of the co-sponsors of this resolution to prohibit the further spread of nuclear weapons. Canadian government has consistently favoured the adoption of an international agreement on disarmament which would include measures to prevent the wider spread of nuclear weapons.

We recognize that the draft resolution now before us does not repeat not, in itself, call for action in this field but only for an enquiry as to the conditions under which states would be prepared to accept certain undertakings. My delegation is certainly not repeat not opposed to a survey of this kind although we believe that it could result in a variety of divergent national viewpoints, conditions and reservations.

So far as the substantive question is concerned, however, it would be unreasonable to expect that states should bind themselves now – completely in isolation from any agreement on disarmament – to an undertaking which would tie their hands in respect of the acquisition of nuclear weapons or their stationing on their soil for purposes of self defence. In the absence of an international agreement on this subject no repeat no country is likely to lay aside its responsibilities to its own people by accepting unilaterally commitments of this kind.

My delegation has also made plain in stating our position on resolution number ____ (African Resolution on the prohibition of use) that it would be undesirable at this time, when there is a good chance of resuming disarmament negotiations, to detract from the efforts to reach binding agreements which are the only satisfactory means of finally removing the threat of nuclear weapons.

It is on the basis of these considerations that my delegation has decided that we cannot repeat not give our full support to the resolution now before us. However, because we are not repeat not opposed to a survey such as that proposed, and because we fully sympathize with the motives underlying the resolution, it is not repeat not our intention to cast a negative vote.

My delegation therefore proposes to abstain when the draft resolution now under consideration is brought to a vote. Text Ends

4. In discussing Canadian position with your colleagues you should say that a final decision has not yet repeat not been taken as to how Candel New York will be instructed to vote on Swedish draft resolution. However, you should make it plain that it is most unlikely indeed that your authorities would agree to vote against it. You may then make use of the arguments in the draft explanation of vote quoted in paragraph 3 above to explain our attitude toward the draft, but you should not repeat not quote directly from the proposed statement.

5. You should go on to say that we consider it important to avoid a situation in which NATO would find itself voting as a bloc, with very little support from other delegations, in opposition to Swedish draft. You should emphasize that strictly speaking the draft resolution calls only for an enquiry by Secretary-General and that it could be very harmful to basic Western interests to give the impression that NATO is opposed even to an initiative designed to bring out national views on this subject. In our opinion these considerations dictate that the most appropriate vote for all members of the Alliance would be an abstention.

6. Finally, with respect to further consideration of Swedish draft, you should say that it is impossible to work out a consistent position in a context removed from day-to-day developments at UNGA. We therefore consider that the main centre of consultations for NATO members should be in New York rather than in Paris.

For London

7. You should inform UK authorities that it is most unlikely that Canada will vote against Swedish draft. You should make use of above arguments to support our view that an abstention is the most appropriate vote, and impress upon them that we hope UK will follow this course rather than vote against the resolution. Report UK reaction as soon as possible.

For Copenhagen and Oslo

8. You should inform Foreign Ministry of our views on Swedish Resolution along the above lines and report their reaction as soon as possible.

For Candel New York

9. I wish you to report as soon as possible your estimate of the way in which friendly delegations are likely to vote on Swedish draft. I am particularly interested in knowing how many of the Latin American group are planning to abstain, and whether we may expect abstentions (rather than votes in favour) from any of the Afro-Asian countries.

[H.C.] GREEN

127.

DEA/50271-M-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. CANADIAN EYES ONLY.

[Ottawa], November 28, 1961

IRISH RESOLUTION ON THE PROHIBITION OF THE
WIDER SPREAD OF NUCLEAR WEAPONS

This memorandum has been prepared in accordance with your request for a comparison of the main differences between this year's version of the Irish proposal and the resolution on this

subject which was adopted last year at the 15th session. Attached for reference are the texts as submitted this year and last, and the text of the explanation of vote which the Canadian Delegation made on this resolution last year.†

2. The Irish resolution as drafted this year differs in two important respects from the resolution adopted at the 15th session:

(a) In addition to calling upon states to work towards “permanent agreement” on this question, last year’s Irish resolution called for “temporary and voluntary measures” pending permanent agreement, whereby the nuclear states would not relinquish control of such weapons or transmit information necessary for their manufacture to non-nuclear states, and the latter would refrain “from manufacturing these weapons and from otherwise attempting to acquire them.”

In explaining our vote in favour of the resolution, the Canadian Delegation stated that we welcomed the emphasis given in it to the desirability of achieving “permanent agreement” because we believe that the only satisfactory solution lay in the adoption of an “international agreement on a comprehensive and carefully verified system of disarmament.” The Delegation also said that other “admittedly less satisfactory” measures were deserving of encouragement, and that we therefore supported the temporary and voluntary measures called for in the resolution. However, the Delegation concluded by saying that if there was no significant progress towards disarmament in the immediate future we would have to reconsider our position on the temporary measures proposed in the resolution.

This year’s version of the resolution does not raise this difficulty because the passages relating to “temporary and voluntary” measures have been deleted. The resolution as now drafted calls upon states to make an effort to secure an “international agreement” which would contain provisions designed to prohibit the further spread of nuclear weapons. It is therefore consistent with the position which we adopted in explaining our vote at the 15th session. Provision for measures to prevent the further spread of nuclear weapons is also included in the new U.S. disarmament proposals, and we understand the U.S. regards the present formulation of the Irish resolution as consistent with the measures set out in their plan.

(b) Last year’s version of the Irish resolution called upon the non-nuclear states to refrain not only from manufacturing such weapons but “from otherwise attempting to acquire them.” It was thought that this very general formulation could cause some difficulty for Canada in view of the possibility of our entering into agreements with the U.S. whereby nuclear weapons would be stationed in Canada under some form of joint control.

This year’s version of the resolution avoids this difficulty entirely, because it calls upon the non-nuclear states not to attempt to “acquire *control of* such weapons” rather than not to acquire them in any manner whatever.

3. In my opinion, the two changes just described fully protect Canada’s position. Their incorporation in the new version of the Irish resolution also removes difficulties which it might have caused for possible NATO arrangements with respect to nuclear weapons. Our understanding is that virtually all our NATO partners consider the resolution to be satisfactory as now phrased, and that they are prepared to vote for it. We will inform you immediately if there is any indication of a change in the attitude of any of our NATO partners.

4. If it is decided that Canada should abstain on the *Swedish* resolution dealing with this subject, Canadian support for the *Irish* resolution should assist us in stating our position. Our basic argument would be that we cannot support unilateral measures in this field, which would be binding on us in isolation from disarmament, but that we fully support the adoption of appropriate international agreements such as that suggested in the Irish proposal. In my opinion, this reasoning would be consistent both with our desire to achieve early agreement on

nuclear disarmament and the necessity of retaining freedom of action until such agreement can be reached.

5. In my memorandum to you of November 18 on the *Swedish* resolution, I suggested that it might be considered desirable for the Canadian Delegation to restate our position on the Irish resolution either during the debate or when that resolution was brought to a vote. If you agree, we might suggest to the Delegation, when giving them voting instructions on the Irish proposal, that they make an explanation of the Canadian position along the lines of the draft attached to my memorandum to you of November 18.†

N.A. R[OBERTSON]

128.

DEA/50271-M-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 2987

New York, November 28, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 2954 Nov 27.†

Repeat for Information: Washington, London, NATO Paris, Paris, Geneva, Bonn, Rome from Ottawa, CCOS (Waldock) Ottawa from Ottawa (Priority).

16TH UNGA: SWEDISH RESOLUTION

Second meeting of NATO delegations on this subject was held this evening at 5:30pm. It became immediately apparent that unanimity on basis of an abstention was virtually impossible since USA Representative reported that his delegation has received firm instructions to vote against the resolution. (We learned later that this was a presidential decision.) Representative of Denmark made a number of heated interventions emphasising that Scandinavian members would find it exceedingly difficult to abstain unless all NATO group could do likewise. He implied that refusal of USA to agree to a common abstention would have severe repercussions on Scandinavian attitude to similar questions in NATO, and made an emotional appeal that reconsideration be given by USA. (USA delegation will make an effort on basis of Scandinavian attitude to have their instructions changed but has very little hope of success).

2. Danish Representative reported that Swedes had suggested to Scandinavians the insertion of a final preambular paragraph which would draw attention to the necessity of the agreed principle that all measures of disarmament should be balanced to prevent any state or group of states securing an advantage and that reference to this principle might be inserted in operative section as well. It was the general feeling of the group that a revision along these lines would not repeat not affect in any way the substance of resolution or the attitude of group to it.

3. UK Representative said that UK had been prepared to abstain in order to obtain unanimity. Although they did not repeat not have final instructions if unanimity on basis of an abstention was impossible it was likely that UK's "dislike of the resolution would predominate" and result in a UK vote against. Representatives of Italy, Netherlands, France and Belgium reaffirmed their opposition to the resolution. Representative of Iceland indicated that he might have to vote in favour in view of the impossibility to agree on a common abstention.

4. We spoke on the lines of your telegram N-126 November 28, reiterating our desire to see a common front. We made clear that Canada could not repeat not oppose the resolution and

preferred an abstention. We also indicated general line we were thinking of taking in explanation of our abstention in committee.

129.

DEA/50271-M-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 N-127

Ottawa, November 29, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. EMERGENCY.

Reference: Our Tel N-126 Nov 28 and Telecon SSEA/Senator Brooks Nov 29.

Repeat for Information: NATO Paris, Oslo, Copenhagen (OpImmediate), Paris, Washington, London, Bonn, Rome, Geneva, CCOS Ottawa (Waldock) (Routine).

By Bag Stockholm, Moscow.

16TH UNGA – SWEDISH DRAFT RESOLUTION

If Norwegian, Danish and Icelandic delegations decide to abstain on the Swedish draft resolution, you should also abstain. If these delegations decide to vote in favour of the resolution you would vote in favour as well. If further complications arise with respect to their voting positions (particularly a divergence among them) you should report to me by telephone immediately.

2. I am transmitting in my immediately following telegram† the text of a draft statement which you could use to explain a Canadian vote in favour of the Swedish Resolution.

3. The procedural suggestion made in your telegram 2988 of November 28† raises difficulties for Canada. If the Swedish delegation were to object to adjournment of the disarmament debate, the motion to adjourn could well be put to a vote. In that event it might be rejected by a large majority with only a few Western delegations voting in favour. Since this development would be very undesirable from our point of view, I believe that no Canadian initiative along these lines should be considered without full consultation with the Swedish delegation. If there are further developments on this question you should also report them by telephone as soon as possible.

[H.C.] GREEN

130.

DEA/50271-M-40

*L'ambassadeur au Danemark
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Denmark
to Secretary of State for External Affairs*

TELEGRAM 108

Copenhagen, November 29, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel N-126 Nov 27.

Repeat for Information: London, NATO Paris, Paris, Permis New York (OpImmediate) from Ottawa.

By Bag Stockholm, Oslo, Moscow from London.

UNGA – SWEDISH RESOLUTION

Your telegram not repeat not deciphered here until late today and we understand vote may have already taken place in New York. We are told that our two delegations have been in close contact there but Danish position as explained by Ministry of Foreign Affairs is that in all probability they will vote in favour of Swedish Resolution although we gather last minute discretion has been left to their delegation. This position worked out in close consultation with Norway as only other Scandinavian NATO country. While Danish Government fully cognizant of implication of resolution considerations of inter-Nordic solidarity at this time and in present circumstances are almost overwhelming and they would expect very adverse domestic reaction if they were to oppose a Swedish Resolution directed to ends with which Denmark is basically sympathetic. They do not repeat not regard resolution as binding commitment in that its passage will not repeat not prejudice response of individual state to survey. They expect resolution to pass and do not repeat not see how any member state could then refuse to take part in survey. It would only be at this stage that basic Danish position would be brought out and there is no repeat no room to assume that it would be inconsistent with NATO policy.

[HECTOR] ALLARD

131.

DEA/50271-M-40

*L'ambassade en Norvège
au secrétaire d'État aux Affaires extérieures
Embassy in Norway
to Secretary of State for External Affairs*

TELEGRAM 183

Oslo, November 29, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tel N-126 Nov 27.

Repeat for Information: Candel New York (Emergency), NATO Paris (OpImmediate), Paris, London, Washington, Geneva, Bonn, Rome, DND from Ottawa.

By Bag Copenhagen, Stockholm, Moscow from London.

SWEDISH RESOLUTION

Instructions have gone today to Norwegian Permanent Mission New York to abstain on some preambular paragraphs but to vote for resolution as a whole. The context of an explanation vote also cleared by Norwegian Cabinet will include a statement that resolution is impracticable and that Norway reserves its position for reasons of domestic defence and NATO membership regarding reply which might be made to questionnaire. It is assumed Denmark and Iceland will also abstain.

2. Foreign Office's recommendation for an abstention was changed to favourable vote by Cabinet mainly because of Sweden's sponsorship. This reason will also be mentioned in explanation of vote. Norway has unsuccessfully attempted to have resolution withdrawn by Swedes or amended to follow Irish pattern. Norway regards Swedish proposal as impracticable and unwise but for domestic political reasons and budget consideration for Sweden and we believe for Finland Cabinet was unwilling to endorse abstention.

[JOHN G.] HADWEN

132.

DEA/50271-M-40

*L'ambassade en Norvège
au secrétaire d'État aux Affaires extérieures
Embassy in Norway
to Secretary of State for External Affairs*

TELEGRAM 223

Oslo, November 29, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel N-126 Nov 27 and My Tel 221 Nov 29.†

Repeat for Information: Candel New York, Washington, DND Ottawa from Ottawa.

By Bag Copenhagen, Stockholm, Moscow from London.

SWEDISH RESOLUTION

My reference telegram Norwegian decision with respect to Swedish Resolution. You should know also that I called on Reidar head of Norwegian Foreign Office and spoke as instructed in paragraph 8 of your reference telegram.

2. I was assured Canadian position was fully understood by Norwegian authorities. In particular they understood our desire to avoid a situation in which NATO found itself voting as a bloc with little support from other delegations in opposition to a Swedish draft. They agreed that conflict between views expressed between NATO in New York had resulted in unfortunate confusion and that further detailed discussions should take place in New York.

[JOHN G.] HADWEN

133.

DEA/50271-M-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 4271

London, November 29, 1961

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Reference: Your Tel N-126 Nov 28.

Repeat for Information: Washington (Emergency), Candel New York, Copenhagen, Oslo (OpImmediate), Paris, NATO Paris, Geneva, Bonn, Rome, CCOS Ottawa (Waldock) from Ottawa.

By Bag Stockholm, Moscow from London.

16TH UNGA SWEDISH RESOLUTION

This morning Foreign Office received report from British Embassy Washington to the effect that Embassy had urged State Department in strongest terms to instruct USA delegation to abstain on Swedish Resolution but had subsequently received word from State Department that President Kennedy had decided that USA delegation should vote against resolution. Notwithstanding this British Embassy is being instructed to return to the charge and to endeavour to obtain a reversal of American decision. British Government shares our views on desirability of achieving NATO unanimity and realizes that unanimity can be achieved only on basis of abstentions. They expect that if USA votes against Norway and Denmark will vote in

favour and the disarray will be complete. They suggest that we bring our influence to bear urgently in Washington.

2. On the other hand if unanimity cannot repeat not be achieve on basis of abstentions and in particular if USA votes against Swedish Resolution then it is now almost certain that UK will also vote against. We reported arguments in favour of abstention in accordance with your instructions but we fear that British Government's decision is firm.

134.

DEA/50271-M-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 3649

Washington, November 30, 1961

SECRET. OPIMMEDIATE.

Reference: Minister-Heeney Telecons Nov 28.

Repeat for Information: NATO Paris, Candel New York, Paris, London (Priority), Bonn, Rome, Geneva, Hague (Priority) from Ottawa, Oslo, Copenhagen (Priority) from Hague, CCOS Ottawa (Wallock) (Priority) from Ottawa.

SWEDISH RESOLUTION

Following receipt yesterday of your telegram N-128, November 29,† containing instructions to our delegation and our first telephone conversation yesterday afternoon, I spoke to Burns to ascertain the situation in New York. He told me that it appeared probable that the resolution would come to a vote in an hour or so and that Norway, Denmark and probably Iceland would be voting in favour as it seemed there was no repeat no possibility of NATO agreement on abstention.

2. I then called the British Ambassador to enquire the result of their attempts to persuade USA to abstain. (London telegram 4271 November 29). Ormsby-Gore said that the President and Secretary of State had made their decision on November 28 and that he had concluded that there was no repeat no use in going back at the State Department.

3. I next spoke to the Deputy Under Secretary of State, Alexis Johnson. I explained that we understood that the Scandinavians would be voting in favour in the absence of an agreed NATO position to abstain. While we considered that abstention would be the least unsatisfactory position for NATO representatives, if no repeat no agreement could be reached in that sense, we also would feel constrained to vote for the resolution. It looked as if the voting might begin very shortly; therefore, we wished the State Department to know of our views and our intentions. Was there no repeat no possibility that USA even at this stage would reconsider their decision and abstain? If not repeat not, there would be serious disarray among the NATO delegations.

4. Johnson reminded me of the strong case which had been put by USA Representative in NATO Council for a negative vote. The whole question had been re-examined by the President with his advisers the previous evening and their conclusion to vote against had been confirmed for the same reasons. He undertook nevertheless to explore the possibility of reopening the position and to let me know the result.

5. In my second telephone conversation with you last evening I reported the above to you.

6. Johnson called me again this morning to say that on the basis of my call, the State Department had again re-examined their position, and had again come to the same conclusion "for the same reasons" and that they would oppose the Swedish Resolution (which had not repeat not yet been voted). He added that there was "serious disappointment" at our decision to vote in favour of the resolution.

[A.D.P.] HEENEY

135.

DEA/50271-M-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Assistant,
Office of Secretary of State for External Affairs,
to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], November 30, 1961

SWEDISH RESOLUTION

We have been informed by General Burns that the United States Delegation's instructions to vote against the Swedish Resolution have now been confirmed. The possibility of NATO unanimity based on abstention is therefore finally ruled out. The Resolution will probably come to a vote before noon.

2. Norway spoke last night and although the text of the Norwegian statement would seem to justify a vote against or at best an abstention, (see copy attached)† the Norwegian representative (Engen) nevertheless announced his Government's decision to support the Swedish Resolution. General Burns believes that Denmark and Iceland will also vote in favour. In accordance with the instructions General Burns already has, Canada will also be voting in favour and give the short explanation of vote which you and the Prime Minister approved yesterday.

3. Following the vote on the Swedish Resolution the Committee will probably move on immediately to a discussion this afternoon of the Irish Resolution. That Resolution has, incidentally, been slightly amended by the Irish themselves to include an additional phrase which does not substantially affect the purport of the Resolution or our stand in favour of it. Attached is the text of the existing operative paragraph (1), with the amendment now proposed by Ireland inserted and underlined.

4. In view of the indication that the Delegation had yesterday that even the Soviet Union intended to vote for the Irish Resolution, General Burns believes that there will be nothing controversial about the discussion and therefore no real need for Canada to make any explanation of vote. In case for any reason you believe such an explanation nevertheless desirable, a draft statement is being prepared.†

R[OSS] C[AMPBELL]

136.

DEA/50271-M-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 3034

New York, November 30, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: NATO Paris, Paris, Washington, London, Geneva, Rome from Ottawa, CCOS (Waldock) (Priority) from Ottawa.

16TH UNGA: DISARMAMENT – SWEDISH RESOLUTION ON NON-NUCLEAR CLUB (L/297)

The debate on Swedish Resolution began at yesterday afternoon meeting of the First Committee and was concluded this morning. Resolution was adopted on a roll call vote of 57 in favour (Canada) 12 opposed with 32 abstentions. We joined the three Scandinavian NATO members in supporting the resolution. The other ten UN NATO members opposed the resolution and were joined by Spain and Nicaragua. The abstentions came chiefly from Latin America and the French-speaking Africans. All Latin American delegations abstained except Brazil and Cuba. The abstentions from the Brazzaville group came as a surprise even to the French delegation which told us that they had not repeat not lobbied against the resolution with the group which apparently abstained for the same reasons as they had on the resolution calling for a denuclearized Africa.

2. Before the vote some fifteen delegations participated in the debate. The representatives of Denmark and Norway expressed support for the idea of conducting the proposed survey to determine the conditions under which non-nuclear nations might agree to measures to limit the spread of nuclear weapons but made clear that they reserved their countries' position as regards the nature of the reply to the survey. We delivered the brief explanation of vote contained in your telegram N-128 November 29.†

3. The Representative of USA delivered a forcible statement explaining why the USA could not repeat not support the resolution. Since his statement is of considerable interest as a reflection of basic USA policy on this question we are transmitting it in total in a following telegram (Ottawa and Washington only).† In terms somewhat less strong than those employed by USA delegation the Representative of UK also stated his government's opposition to the resolution.

4. The Representative of USSR said that Soviet Union would support the draft as a positive contribution to the reduction of danger of nuclear war although the resolution did not repeat not go as far as his delegation would have wished. In particular Soviet Union would have preferred the omission of the words "in the future" in the final preambular paragraph since as presently drafted the resolution seemed to condone the possession of nuclear capability by states such as Germany. Developing this theme Soviet representative launched a violent attack on the position adopted on the resolution by the USA and UK. Referring to USA statement he said that USA should not repeat not argue against the resolution on the grounds that it would effect the defensive arrangements which USA had developed with its allies since as had already been shown in the debate a number of NATO members were prepared to vote in favour of the draft. He accused the West in particular of supporting the nuclear rearmament of Germany. The representative of Bulgaria chimed in to support the line taken by Soviet Representative. His statement also contained references to Soviet bloc proposals for a denuclearized zone in the Balkans.

137.

DEA/50271-M-40

*Le conseiller du Gouvernement canadien en matière de désarmement
au chef de la Direction pour le désarmement*

*Advisor to Government of Canada on Disarmament
to Head, Disarmament Division*

CONFIDENTIAL

New York, December 4, 1961

Dear Ken [McIlwraith]:

Enclosed are two copies in draft of a memorandum giving my views on the situation we face as a result of the latest Soviet proposals in the test ban talks. The draft memorandum relates more particularly to the problem with which we would have to deal if following the reports of the negotiating powers to the Disarmament Commission on December 14 on the progress of the Geneva talks, a resolution endorsing the Soviet test ban proposals was introduced at this session.

I do not suggest that this memorandum should be presented for consideration by the Minister at this time, since the specific situation to which it is primarily addressed is not yet before us in concrete form and the Minister has doubtless a great many other matters to consider in preparation for the NATO ministerial meeting. I would, however, like you to examine this memorandum carefully at the divisional level and to discuss the problems it raises with Mr. Ignatieff and with the Under-Secretary.

In about ten days' time when we know in what form, if any, these problems will confront us at this session we can decide whether it will be necessary to send the memorandum, revised as appropriate, to the Minister.⁶¹

E.L.M. BURNS

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note du conseiller du Gouvernement canadien
en matière de désarmement*

Draft Memorandum by Advisor to Government of Canada on Disarmament

CONFIDENTIAL

[New York], December 4, 1961

NUCLEAR TESTING – SOVIET DRAFT “TREATY”

You will recall that the USA-UK resolution on the need for a treaty to ban nuclear weapons tests (resolution 1649 (XVI) adopted by Plenary on November 8) requests the negotiating states to report to the Disarmament Commission by December 14 on the progress of their negotiations. This raises the prospect that the nuclear testing issue will be reopened before the conclusion of the present session. We have learned from USA Delegation that they anticipate this possibility and are now engaged in the preparation of a report which will, embody a considered response of the two Western negotiating states to the Soviet proposal of November

⁶¹ Notes marginales :/Marginal notes:

Mr. Ignatieff We agree with Gen. Burns' analysis as far as it goes. We would like to discuss the implications with you before you leave for Paris. K.D. M[cllwraith] Dec. 7/61
No time for detailed discussion before G.I. left for Paris. He and Ross Campbell took with them copies of Gen. Burns' draft memo. K.D. M[cllwraith]

27 for an agreement which would prohibit atmospheric, outer space and under-water tests relying for verification only on national systems of detection.

On the basis of the reports of the Geneva meetings held since negotiations were resumed on November 28, it would seem most unlikely that the USSR will agree to negotiate further on the points at issue in the draft treaty tabled by the Western powers in the conference last April. The Soviet position in the resumed talks indicates that the line the Russians will take in their report to the Disarmament Commission will be that a treaty to ban tests under an international control system is no longer feasible in the present international situation. This would mean that the Soviet Union now rejects the basis on which the Geneva negotiations were conducted during the past three years. The Soviet report will no doubt argue that this basis has been "discredited" because the West insists on control measures which would give it unacceptable unilateral advantages. The Soviet report will probably also argue that their proposed "treaty" is a means of achieving a rapid interim solution of the nuclear testing problem on a new basis.

On the Western side both the USA and UK have made clear that the Soviet proposal of November 27 is a retreat from previous commitments undertaken by the Soviet Union in the conference and is unacceptable since it provides for no international control machinery. At the first meeting of the resumed conference in Geneva on November 28, Dean emphasized that the USA government will make no "paper undertakings" not to conduct nuclear tests after the USSR's cynical disregard of its previous pledge not to be the first to resume tests. As regards the Soviet proposal that France should be associated in a new moratorium on tests the USA has also stated that the participation of other states in the negotiations does not appear required by Soviet security interests.

Although at the moment it is not possible to forecast the manner in which this Assembly will take note of the reports to the Disarmament Commission called for by resolution 1649, it would seem important that we should be prepared for some discussion of these reports at this Assembly before Christmas. The Soviet Union may go so far as to attempt to obtain the passage of a resolution which would involve Assembly endorsement in some form of its proposed treaty. Alternatively, pressures might develop for the adoption of a resolution which would ask the states negotiating in Geneva to continue their discussions taking fully into account the new Soviet proposal, while maintaining an unsupervised "moratorium."

The USA and UK may be expected to take the strongest exception to any move at this session suggesting that the draft "treaty" put forward by the USSR offers an acceptable alternative to an internationally controlled agreement to ban nuclear tests. The USA has made it clear that it intends to reserve its full freedom of action if the results of the evaluation of the extensive Soviet testing programme makes it necessary for the USA to conduct atmospheric tests in the interest of its national security.

One cannot ignore the fact however that the Soviet Union's latest proposal may hold considerable attraction for non-aligned opinion in the Assembly as a possible basis for future agreement. It was doubtless in the expectation that it could repair the damage done to its public position by its resumption of tests that the Soviet Union agreed to return to the Geneva negotiations presenting at the same time a proposal which it realized would be rejected by the Western powers.

Presented with a situation in which this Assembly would be asked to vote on a resolution implying approval of the Soviet proposal for an unsupervised ban on tests, Canada would be placed in an awkward position. On the one hand, our strong opposition to tests has been expressed in our unqualified support of the Indian resolution (A/1648) which was opposed at the time for different reasons by all the nuclear powers. On the other hand, we voted in favour of the Western resolution (A/1649) calling for the conclusion of an effectively controlled treaty. According to the terms of the latter resolution, the permanent cessation of testing can be

guaranteed “only by an effective impartial system of verification in which all states have confidence.” The latest Soviet proposal rejects this essential requirement but the Russians could be counted on to argue that their proposed “treaty” is in full harmony with the spirit of the Indian resolution and meets that resolution’s call for the conclusion of “internationally binding agreements in regard to tests.”

One can hope that the situation described above will not materialize at this session in this acute form. If the current bilateral talks on the composition of the negotiating forum for disarmament are fruitful, neither side may wish to reopen the nuclear tests issue and the bitter debate which this would entail. I believe however that the inherent dilemma which this situation presents for Canada should be faced now.

It appears almost certain no progress can be expected in the Geneva test-ban talks in the ten days remaining until the dead-line. Failing agreement on the conditions for the resumption of negotiations on general and complete disarmament, the Soviet Union will, in all probability, exploit to the full its offer to enter into a formal agreement to ban tests on a basis which it knows the Western nuclear powers cannot accept. As was predicted by several Western speakers during the debate on the Indian resolution, the Soviet offer comes at a moment when the USA cannot renounce its freedom to conduct atmospheric tests until it has reached a firm conclusion regarding the necessity of such tests to ensure the defences of the free world.

It seems to me that this raises grave problems for the Western alliance as a whole and that the problems involved may very well receive attention during the forthcoming ministerial meeting of NATO. The possible repercussions of a USA decision to conduct atmospheric tests on the prospects of renewed disarmament negotiations also merit consideration in this context. In any case, I believe the position taken by Canada at this session on the nuclear testing question should be carefully reviewed in the light of these latest developments.

E.L.M. BURNS

138.

DEA/50271-M-40

*Message du premier ministre du Royaume-Uni
pour le premier ministre*

*Message from Prime Minister of United Kingdom
to Prime Minister*

TOP SECRET

Ottawa, December 18, 1961

The recent series of Russian nuclear tests has presented the Americans with a grave problem and they are now considering whether further tests may not be called for on their side if the balance of the deterrent is to be preserved. President Kennedy recently asked me whether we could make facilities available at Christmas Island to carry out atmospheric tests if he should decide (which he has not yet done) that such tests were essential. He does not wish to use Eniwetok or Bikini because the use of a trust territory would subject the Americans to considerable criticism at the United Nations.

I said in the House of Commons on the 31st October that if I were convinced that a further nuclear test was necessary in order to maintain the balance of the deterrent and to preserve freedom in the world, Britain would be bound either to co-operate in or support its conduct.

After careful consideration and discussion here, I replied to President Kennedy pointing out that both he and I were committed by our public statements, mine of the 31st October and his of the 1st November, and that our two countries should stand together in making further atmospheric tests if we were convinced that these were really necessary within the meaning of our statements. But our first step must be to satisfy ourselves that such tests would in fact be

firmly within our public positions. To this end I proposed an Anglo/United States meeting of experts to look at the proposed content of the tests so that the President and I could make our individual political judgments whether such a programme is within our public definitions. I made it clear that we should have to be satisfied that the proposed tests cannot be made underground, and indicated that we ought to exclude tests of really marginal value.

My own preliminary view is that we might be prepared to accept tests directly related to preserving the balance of the deterrent, and that these might include tests to protect the validity of our weapons or which promised a break-through in defensive measures.

I am, of course, aware that a resumption of atmospheric tests will be much disliked throughout the world. We are judged by different standards from those applied to the Communists. We should be proud of this and jealous of our moral advantage which may in the end undermine their atheist creed. I have impressed this on President Kennedy.

He has now sent a message which shows that he is resisting pressure for tests as such, and shares my broad view on the criteria which should be applied. Our experts and theirs will be getting into touch in accordance with my proposal and I expect to have further discussions with President Kennedy on this when I meet him in Bermuda.⁶²

We naturally do not want, if we can help it, to prejudice whatever prospects there may be, now that the Geneva Conference has resumed work, of a treaty providing for the cessation of nuclear tests under adequate control. We have however had to make it clear publicly that pending the conclusion of such a treaty we cannot, in view of the massive series of tests held by the Soviet Government, bind ourselves not to engage in or support the conduct of any further tests. I am sure you will agree that we cannot tie our hands when it might be a question of the balance of the deterrent being tipped against us, and when in any case the Soviet proposals now tabled at the Conference clearly suggest that they are more interested, after completing their own programme of tests, in imposing an uncontrolled moratorium on the United States than in any serious negotiations for a treaty.

I should be grateful if you would keep knowledge of the contents of this message to the smallest possible circle.

139.

DEA/50189-C-40

*Extrait du rapport final de la seizième session, première commission
de l'Assemblée générale des Nations Unies*

*Extract from Final Report of the Sixteenth Session, First Committee
of the United Nations General Assembly*

CONFIDENTIAL

[Ottawa, n.d.]

ITEM 19: QUESTION OF DISARMAMENT

Summary

The item on disarmament appeared on the agenda of the sixteenth session in accordance with resolution 1617(XV) adopted at the last session, in which the General Assembly (a) noted the declarations of the United States and the Soviet Union that they would continue to examine between the sessions on a bilateral basis the question of the resumption of disarmament negotiations (viz. the problem of the principles which would guide future negotiations and the

⁶² Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. VII (Washington: United States Government Printing Office, 1995), document 93, note 5.

composition of the negotiating forum) and (b) decided to renew its consideration of disarmament at this session. At the outset of the sixteenth session the General Committee recommended that the question of disarmament be allocated to the First Committee after the defeat of a Soviet proposal to have this item considered in Plenary immediately after the General Debate.

The paramount question at this session concerned the conditions for resuming detailed disarmament negotiations, which had been broken off following the Soviet bloc walk-out from the Ten Nation Committee in June 1960. Since it was generally recognized that this was a matter which could be most satisfactorily resolved by intensive bilateral talks between the United States and the Soviet Union, the First Committee adopted promptly and unanimously a resolution introduced by India early in the debate calling upon the two major powers to reach agreement on the composition of a disarmament negotiating body and to report before the end of the sixteenth session on the results of their negotiations. This resolution, which was unanimously passed by Plenary on November 28, is contained in the first part of the report of the First Committee on this item (document A/4980 of November 22) and also appears as A/RES/1660(XVI) of November 30, 1961.

In a series of private meetings the delegations of the United States and the Soviet Union reached agreement on the text of a joint resolution on the resumption of disarmament negotiations. It was agreed between the two powers that a new disarmament committee be constituted, whose membership should consist of the ten members of the Ten Nation Disarmament Committee, with the addition of eight other countries not members of either military bloc (Brazil, Burma, Ethiopia, India, Mexico, Nigeria, Sweden and the UAR). The resolution endorsed this agreement and recommended that the new committee undertake as a matter of urgency disarmament negotiations on the basis of the joint statement of agreed principles. The resolution also requested the disarmament body to submit a progress report on the negotiations to the Disarmament Commission not later than June 1, 1962. The joint resolution was introduced in the First Committee on December 13 where it was adopted by acclamation. It was subsequently adopted unanimously in Plenary. The text appears in the second part of the report of the First Committee (document A/4980 Add.2) and also appears as A/RES/[blank].

In addition to the central problem of the resumption of detailed disarmament negotiations, the Committee had before it a proposal submitted by the delegation of Sweden concerning the formation of a "non-nuclear club." This resolution *inter alia* requested the Secretary-General to conduct an enquiry "as to the conditions under which countries not possessing nuclear weapons might be willing to enter into specific undertakings to refrain from manufacturing or otherwise acquiring such weapons and to refuse to receive in the future nuclear weapons on their territories on behalf of any other country." Although many delegations felt that this was a matter which could more appropriately be dealt with under the Irish item on the prevention of the wider spread of nuclear weapons, the Swedish resolution was discussed at the end of the Committee's general debate on disarmament. It was adopted in Committee by a vote of 57 in favour (Canada), 12 opposed, with 32 abstentions. It was subsequently adopted in Plenary on a vote of 58 in favour (Canada), 10 opposed, with 23 abstentions. A description of the position adopted by the major groups on this resolution is included in the following section of this report. The text of the resolution appears in Part II of the report of the First Committee A/4980 Add. 1 and in document A/RES/1664(XVI).

The Debate

Many speakers in the General Debate in Plenary gave a prominent place in their interventions to the question of disarmament and this may have been a factor in curtailing the length of the disarmament debate in Committee. On September 25 President Kennedy

presented to the Assembly the new United States disarmament programme, while the Soviet position was presented by Mr. Gromyko in his Plenary speech in which he introduced a memorandum by the Soviet Government on measures “to ease international tension, strengthen confidence among the states and to contribute to general and complete disarmament” (document A/4892).

The fact that agreement had been reached in the bilateral talks between the United States and the Soviet Union during the summer of 1961 on a statement of principles to guide future disarmament negotiations was warmly welcomed by most delegations as a hopeful first step. The presence of this agreement and the fact that the delegations of the United States and the Soviet Union were engaged in bilateral negotiations on the forum for renewed disarmament negotiations meant that the disarmament debate in Committee was relatively subdued in comparison to the long and bitter discussion of nuclear testing which had gone before. A major theme in the interventions of many delegations was that a basis for future progress had been laid through the agreement on principles and that concrete negotiations should be undertaken without delay. The question of the control and verification procedures to accompany disarmament was recognized as a crucial issue, and a good deal of attention was given to the disagreement between the Western powers and the Soviet Union about whether only the agreed reductions in forces and armaments should be verified or whether it was equally necessary to inspect and verify the levels of forces and armaments retained after reductions have been implemented. Western insistence that the latter was essential provoked the usual Soviet charge that the United States was seeking “control over armaments” instead of disarmament and wished to impose on the Soviet Union a system of “legalized espionage.” Soviet bloc criticism of the latest Western disarmament programme was relatively restrained although the programme was attacked for not containing enough actual disarmament in its first stage and for including measures which would place the Soviet Union at a disadvantage.

Following a two week debate in the First Committee it was decided unanimously that the item should remain open to permit the receipt of the report concerning the bilateral discussions on the negotiating forum called for in the Indian resolution mentioned in the previous section (A/RES/1660). The Committee then turned to the discussion of the Swedish proposal concerning the possibility of forming a “non-nuclear club.” This resolution, although it envisaged at this stage only an enquiry by the Secretary-General as to the conditions under which non-nuclear powers would be prepared to undertake obligations not to accept nuclear weapons, was opposed by the United States which considered that it raised grave problems which touched the very centre of the defensive arrangements of the NATO alliance. The basis for the United States objection to the Swedish proposal as stated in Committee was that it might set in motion a chain of events which would “call in question the right of free nations to join together in collective self-defence, including the right of self-defence with nuclear weapons if need be.” A serious effort was made to obtain unanimity among NATO members regarding the resolution. These efforts included extensive consultations in the NATO Council as well as two meetings of NATO delegations in New York (the latter were without precedent since such meetings have been generally regarded as undesirable in the past). The Scandinavian members of NATO made clear that they were unable to oppose the resolution due to their special relationship with Sweden, as well as for domestic reasons. The only possible common stand by the NATO delegations would have been on the basis of an abstention, but this possibility disappeared when Washington refused to authorize the United States Delegation to abstain. In the vote Canada, Norway, Denmark, and Iceland supported the resolution, while the other ten members of NATO opposed it. Abstentions came chiefly from Latin America and from the French-speaking African countries. The Soviet bloc, as was to be expected, gave the Swedish initiative its full support and placed the resolution in the context of various plans for nuclear free zones, such as the Rapacki Plan. The Soviet bloc also took

advantage of the situation to attack vigorously the United States for opposing a measure which the Soviet delegate claimed would contribute to easing international tensions. In explaining their votes in favour of the resolution the NATO members which supported it made clear that their position on the resolution did not prejudice the nature of the reply they would be making to the Secretary-General's enquiry.

As explained in the first section of this report, the Committee concluded its work under the disarmament item by adopting unanimously on December 13 the joint United States-USSR resolution on the resumption of disarmament negotiations in a reconstituted disarmament committee. It should be noted that the wording of this resolution does not make the new negotiating committee an organ of the United Nations. In the course of the bilateral negotiations on this subject the Soviet Union made clear that it preferred that the Assembly merely endorse an agreement reached between the two powers on the composition of the committee. At the same time a close relationship with the United Nations has been established since the committee is requested to report to the Disarmament Commission not later than June 1, 1962 on the progress of the negotiations.

Canadian Position

In his speeches in Plenary on October 3 and in the First Committee on November 24, the Secretary of State for External Affairs set out Canada's position on the question of disarmament, stressing in particular the urgency of resuming detailed substantive negotiations. The text of the Minister's statement in the First Committee is annexed to the present report.†

As for the Swedish resolution, Canada's support was based on our concern with the problem of the further spread of nuclear weapons and on our belief that an enquiry by the Secretary-General as called for in the resolution might serve a useful purpose in clarifying national viewpoints on this important matter. The Canadian Representative, in explaining our vote on this resolution, emphasized that our reply to the proposed survey would be governed by our basic policy that the only effective means of prohibiting the wider spread of nuclear weapons is through the adoption of broad international agreements on disarmament which would bind the nuclear as well as the non-nuclear states.

Future Action

The most important decision taken at the sixteenth session under this item is that endorsing the agreement to undertake disarmament negotiations early in 1962 in a new disarmament committee on which Canada will serve.

We must also anticipate the necessity of formulating a careful reply to the survey which the Secretary-General will conduct in accordance with the terms of the Swedish resolution. Close consultations with our NATO allies will be required before submitting Canada's considered reply to this enquiry.

Annexes†

1. Report of the First Committee A/4980 of November 22 and A/4980 Add. 1 of November 30 and A/4980 Add. II of December 14.
2. Statement of the SSEA in the First Committee on November 24, 1961.
3. Statement in explanation of vote on the Swedish resolution concerning the formation of a non-nuclear club delivered by General E.L.M. Burns in the First Committee on November 30, 1961.

SECTION D

PROGRAMME ALIMENTAIRE MONDIAL
WORLD FOOD PROGRAMME

140.

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. 286-61
CONFIDENTIAL

[Ottawa], July 21, 1961

UNITED NATIONS FOOD BANK

At the fifteenth session of the General Assembly, on September 26, 1960, the Prime Minister proposed the establishment of a World Food Bank to provide surplus food to countries in need. On October 27, 1960, the General Assembly of the United Nations unanimously adopted Resolution 1496 XV (copy attached)† entitled: "Provision of food surpluses to food deficient peoples through the United Nations system." The main operative sections of the Resolution are paragraphs 4 and 5. The latter, which reflected the Canadian initiative, invited the FAO to "undertake a study of the feasibility and acceptability of additional arrangements, ... having as their objective the mobilization of available surplus foodstuffs and their distribution in areas of greatest need, particularly in the economically less developed countries." The Director General of FAO was asked to report to ECOSOC this summer.

2. Following the General Assembly, the Director General of FAO convened a group of independent experts to aid him in his study. On the basis of their recommendations, he submitted a draft report to an Intergovernmental Advisory Committee which met in Rome April 5-12.

3. The report of the Director General suggests an expanded programme of aid involving \$25 to \$30 billion over the next five years, of which up to about \$12.5 billion might take the form of contributions of food. The report recommends that in using these surpluses, major emphasis be placed upon economic development programmes including the establishment of national reserves of commodities. Approximately two-thirds of the total would be devoted to these purposes. The balance, namely \$4 to \$4.5 billion, would go into social development and welfare distribution. The report also says that if international action is to be extended to the relief of famine and other emergencies, some plan would need to be agreed upon and implemented. The report does not make specific proposals for action.

4. At the meeting of the Advisory Committee, the Canadian Delegation considered the Director General's proposals to be over-ambitious and suggested that to avoid the failures of earlier proposals, a modest beginning on a multilateral basis should be made, so as to be within the financial reach of most United Nations member countries and with the initial objective of meeting the world's emergency food requirements arising out of distress or disaster conditions. This idea was carried further by the United States Delegate, the Director of the Food for Peace Programme, who proposed a \$100,000,000 three-year multilateral programme to which the United States would contribute \$40,000,000 in commodities, with a possibility of a supplementary cash contribution. In addition to meeting emergency requirements, the United

States proposal envisaged the use of limited resources for pilot projects such as school lunch programmes and/or labour incentive schemes.

5. During the meeting of the FAO Committee on Commodity Problems and the Council in late May and June, it became clear that very few countries had yet given serious consideration to the United Nations Resolution, and that the initiative for devising a workable scheme continues to rest with Canada and the United States. There was, however, considerable support in both meetings for a modest approach on a multilateral programme embracing in the beginning emergency aid and selected pilot projects, and it was widely recognized that much of the programme envisaged in the Director General's report, which is devoted to economic development purposes, is now being carried on by means of bilateral arrangements, and will continue to be handled bilaterally.

6. The various proposals for a Food Bank will be discussed at the Thirty-Second Session of ECOSOC in the third and fourth weeks, July 17-28, 1961, and at the 16th Session of the United Nations General Assembly. It will also be dealt with at a special two-day session of the FAO Council at the end of October, 1961, and at the Conference immediately following. It is desirable that a more detailed Canadian position on this matter be developed for use at these meetings and in other international bodies where the Food Bank will be discussed, for the purpose of promoting the Canadian concept and eliciting the support of other countries.

CANADIAN POSITION

7. In the light of previous Canadian initiatives, Ministers would presumably wish Canada to continue to support the creation of a multilaterally-financed Food Bank of a modest size which would initially be devoted to meeting emergency needs with the possibility that, if proven successful, and resources permit, it may later undertake more extensive multilateral activities. The undersigned accordingly recommend the following outline of the objectives, organization, and operation of the kind of World Food Bank that might most appropriately be supported and promoted by Canada:

A. *General Objectives*

- (a) that more should be done to meet the food needs of undernourished peoples throughout the world,
- (b) that these costs should be underwritten on a broad multilateral basis,
- (c) that the commercial interests of countries exporting food should be protected.

B. *Specific Objectives*

- (a) A modest start should be made with the main emphasis on emergency needs, but with provision for limited use of funds for selected pilot projects.
- (b) As conditions and experience permit, consideration should be given to broadening the scope of the Food Bank to permit the raising of food consumption and standards of nutrition to levels that countries are likely to be able to sustain by their own efforts through improved productive capacity.
- (c) Ultimately, consideration might also be given to co-ordination of the Food Bank's efforts with those of other international bodies in accelerating economic development.

C. *Membership*

Membership and participation of countries in the Food Bank should be on a voluntary basis, but once countries join they should be responsible for a compulsory contribution based on an agreed scale related to their capacity to pay. Maximum participation by the more developed countries should be sought, and it is to be hoped that they (other than Canada and the United States) would put up at least 40%.

D. *Initial Programme*

(a) There should be established a fund of \$100 million (United States currency), to be administered by the Food Bank and to be made up of contributions of cash (in convertible funds), pledges of selected basic commodities, and services.

(b) Country contributions should consist of at least one-third cash. The selected basic commodities and services of a kind agreed upon should be valued at world market prices.

(c) Member countries should contribute to the Bank's fund on the basis of the FAO (or United Nations) scale of assessments. The ideal situation would be one where all the members of the FAO or United Nations agree to join the Food Bank. In such a case, Canada's share of the Bank's fund would be about \$4 million (United States currency) on the FAO scale and on the United Nations scale, about \$3.10 million (United States currency). In any event, Canadian participation in this programme might be more dependent upon the contribution by developed countries, other than the United States and Canada, of the order of 40% of the total fund.

(d) To place the Bank on a business-like footing, its \$100 million fund should be deposited in the case of cash, or pledged in the case of foodstuffs and services, before the Bank begins its operations. The rate of disbursement from the Bank should not exceed \$100 million over three years, or \$50 million in any one year. Member countries should be required to replenish the Bank at the end of each of the first three years of operations and to do so in such a way that the proportion of at least one-third cash is maintained in the Bank's resources.

(e) Not later than at the end of the third year of its operations, member countries should review the Bank's original charter and decide whether to revise it and/or the Bank's scale of operations.

E. *Administration*

The Bank's terms of reference should include the following:

(a) to receive contributions (including those of a voluntary type which may be offered by either government or non-government groups in addition to compulsory contributions by governments);

(b) to receive requests for assistance and offers of products;

(c) to investigate, or cause to be investigated, the basis for claims of need;

(d) to acquire products on terms and conditions to be prescribed;

(e) to distribute, or cause to be distributed, contributions acquired under (a) and (d), to food-deficient people in areas of need on terms and conditions to be determined.

(f) to act as a clearing house for information on needs in food-deficient countries and on food supplies that could be made available for transfer to these countries.

The Food Bank should be a semi-independent business-type organization with a Chief Executive Officer assisted by a small executive board carrying major managerial responsibility. It would be required to make periodic reports to a governing council appointed by either (a) the contributing countries, (b) the United Nations, or (c), the FAO. It would be understood that the Bank would use the facilities, including staff, of existing agencies, to the greatest extent possible.

F. *Canadian Contribution*

Having regard to Canada's initiative and interest in the establishment of a Food Bank, it is suggested that Canada should be prepared if necessary to offer up to \$5 million, of which at least one-third would be paid in cash and the remainder pledged in acceptable commodities. It is the present intention that Canada's share would not exceed one-tenth of the United States contribution. Canada's liability over the proposed initial three-year period of the Bank's operations would be limited to an initial contribution of up to \$5 million, plus possible

replenishment contributions at the end of each year up to a maximum of a further \$5 million, making a maximum total of \$10 million (United States currency).⁶³

[H.C. GREEN]

Concurred in:

ALVIN HAMILTON
Minister of Agriculture

GEORGE HEES
Minister of Trade and Commerce

141.

DEA/24-2-40

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

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

[Ottawa], November 24, 1961

WORLD FOOD PROGRAMME

The Food and Agriculture Organization Conference on November 24 adopted the resolution establishing a World Food Programme. The text of this resolution is contained in the attached telegram no. 496 of November 23 from Rome.†

2. The resolution establishes that the Programme will be known as the "World Food Programme." It also provides that contributions will be in the form of appropriate commodities, acceptable services and cash ... "aiming in the aggregate at a cash component of at least one-third of the total contributions." The resolution stipulates that countries "should give due regard to the importance of achieving this overall objective, when determining the cash element in their contribution."

3. An intergovernmental committee of 20 countries which are members of the FAO or of the United Nations is being established to provide guidance on policy, administration and operations. This committee will be elected half by the FAO Council and half by the ECOSOC, and it is envisaged that Canada will be nominated tomorrow by the FAO Council for membership. The committee is to meet in Rome early in 1962 to develop detailed procedures and arrangements for the Programme. These procedures and arrangements are to be reviewed and approved by the FAO Council and the United Nations ECOSOC in New York next April, following which a pledging conference of contributing countries will be convened.

4. The FAO resolution has recommended that the Programme be administered by a joint FAO/UN administrative unit located at the FAO headquarters in Rome.

⁶³ Approuvé par le Cabinet le 9 août 1961, à la condition que la contribution initiale du Canada, qui peut aller jusqu'à cinq millions de dollars, ne soit pas supérieure au dixième de la contribution des États-Unis. Au cours des trois premières années d'application du programme, d'autres contributions peuvent être apportées au besoin. Elles peuvent totaliser jusqu'à cinq millions de dollars et sont sujettes à la même restriction que la contribution initiale.

Approved by Cabinet on August 9, 1961, with the provision that the initial Canadian contribution of up to five million dollars should not exceed one tenth of the contribution of the United States. Further contributions might be made up to a limit of another five million dollars during the first three year period of the programme's operation if necessary, subject to a similar limitation.

5. The establishment of this World Food Programme will now be discussed further by the General Assembly in New York, presumably fairly shortly, and our Delegation there will be reporting on these discussions. In view of the approval given by the FAO Conference to this Programme, it is not envisaged that the General Assembly will recommend any basic changes, although in theory this could happen.

H.C. G[REEN]

142.

DEA/24-2-40

*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 E-2445

Ottawa, December 1, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 344 Nov 29/61.†

Repeat for Information: Washington, Rome, T&C.

16TH UNGA: ITEM 28(E): WORLD FOOD PROGRAMME

We consider it important that you should play a leading role at the Assembly in relation to item 28(e) and other delegations will be looking to Canada to play an active part in securing the adoption by the Assembly of a suitable resolution with respect to the World Food Programme. We are grateful for the suggestions regarding a resolution which you have sent us. It is, of course, of the greatest importance that the resolution adopted by the Assembly should, along with the FAO conference resolution, provide a sound basis for the development of an effective programme conforming to the greatest extent possible with the Canadian position. We understand that the item will be coming up for discussion at the end of next week. You should therefore lose no time in seeking support from other delegations for a satisfactory resolution, consulting as appropriate with Secretariat officials on the matter.

2. From our point of view, the Assembly should adopt a resolution which would (a) accept the FAO resolution (subject to (c) below) as a basis for proceeding with the establishment of the World Food Programme; (b) annex the text of the FAO resolution and (c) contain a provision which would read as follows: "Instructs the Intergovernmental Committee, in preparing recommendations on the conditions and procedures for the establishment and operation of the programme for the review and approval by ECOSOC and the FAO Council, to consider the FAO resolution, this resolution, the UN/FAO report (Document A4907), statements made during the debates in the FAO Conference and General Assembly, and such other conditions and procedures as may seem appropriate."

3. For your information we consider a provision such as contained in (c) above essential in order to give the Intergovernmental Committee sufficient scope and authority to develop what in effect would constitute a proposed charter for the programme. We would hope that such a charter would incorporate the main safeguards and conditions which we consider important for the achievement of this programme and which are spelled out in the Cabinet memorandum of July 21. The above wording in (c) above has been carefully considered here and should be adhered to as closely as possible.

4. Unless it develops that you are unable to secure a provision of this kind in the Assembly resolution, you should not propose the insertion of additional concepts and conditions to the FAO resolution. In our view such an attempt would (a) detract from our main objective of

giving the Intergovernmental Committee a fairly free hand in developing the conditions and procedures for the establishment and operation of the programme; and (b) open the way for controversial debate in the large forum of the Assembly which could lead to delays or to the introduction of undesirable proposals by other countries. You should also discourage other delegations or the Secretariat from introducing at the Assembly controversial additions to the FAO resolution.

5. The Assembly resolution, of course, would have to incorporate appropriate instructions to ECOSOC regarding the election of the U.N. half of the Intergovernmental Committee and related questions.

6. The formulation suggested above would instruct the Intergovernmental Committee to take account of statements made during the Assembly debate. Therefore in speaking to a resolution of this kind, you should take the opportunity to restate the Canadian position along the lines of the Cabinet memorandum of July 21. In your statement you should avoid developing your points in a way which would lead to controversy or delay but it would be entirely appropriate to re-emphasize in particular our position with respect to the cash component of contributions. We should be glad to have an opportunity to review your statement if possible before delivery, and look forward to seeing the text of a draft resolution along the lines suggested above.

7. The FAO resolution and the U.N. resolution as proposed in this telegram would provide that the initial Intergovernmental Committee charged with the development of a 'charter' may differ from the composition of the Intergovernmental Committee which will provide direction following the establishment of the programme. In view of the important function of the initial committee you should use your influence to have ECOSOC elect key countries such as Denmark and Australia as well as potential major contributing countries such as United Kingdom, Germany and Japan. You will have noted that with the exception of the United Kingdom these are listed in suggestions of the Canadian FAO delegation in Rome (reference telegram 508 of November 27 from Rome).† The FAO delegation further reports that Liberia, Venezuela and Haiti of the original U.N. sponsors gave little assistance in Rome but that Mexico and Yugoslavia were extremely helpful.

8. We should welcome a report from you on the position likely to be taken at the Assembly by the Soviet bloc toward the World Food Programme. We hope they will not attempt to obstruct the development of the programme, and from our point of view see no objection to Soviet participation on a constructive basis, which we recognize may also involve their representation on the Intergovernmental Committee.

143.

DEA/24-2-40

*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*

[Ottawa], December 15, 1961

WORLD FOOD PROGRAMME

On December 13 the Second Committee of the General Assembly approved a proposal for the establishment of a World Food Programme in a resolution which corresponded basically to the resolution adopted in November by the FAO Conference. The approved programme is of a kind that Canada has been advocating and which is in line generally with the principles approved by Cabinet last July. The Second Committee's resolution will be placed before the

Plenary Session early next week where it is assured of approval. The vote in favour of the resolution, which was initiated by the Canadian Delegation and co-sponsored by seven other countries including the United States, was 72 in favour and 10 abstentions (Soviet bloc excluding Cuba) and no votes against. The corrected text of this resolution is contained in attached telegram 3275 of December 13 from New York.†

2. The World Food Programme, which the Prime Minister proposed in a statement at the General Assembly last autumn, has now been approved by the FAO Conference and, in practical terms, by the United Nations. The next step will be the convening early in the new year of a twenty-country committee (of which Canada is a member) to work out and agree on a charter for the new programme, which will be submitted in April to concurrent sessions of ECOSOC and the FAO Council. This is to be followed by a pledging conference planned for the Spring, and the programme should get under way and begin operations well before the end of next year.

3. As approved by the FAO and United Nations, the programme will be for an initial experimental period of three years. Contributions of approximately \$100 million are called for on a voluntary basis in the form of "appropriate commodities, acceptable services and cash." The aim is to have the cash element amount in the aggregate to at least one-third of total contributions. Canada, the United States and Denmark have already undertaken to contribute to the programme; Canada up to an amount of \$5 million, of which one-third could be cash; the United States up to an amount of \$40 million in commodities and possibly a further donation in cash; and Denmark up to \$2 million in commodities and cash. It is important, of course, that the programme should have the widest possible multilateral support. There are grounds for hoping this support will be forthcoming in view of the virtually unanimous endorsement which the international community has given to the programme.

4. The precise nature of the programme remains to be agreed by the meeting of the twenty-country committee which will present an opportunity for Canada to seek to ensure that the programme will be developed in detail along lines we have advocated. The FAO and United Nations resolutions and debates clearly envisage a programme devoted mainly to meeting famine and other emergency food situations or to projects in areas of chronic malnutrition, although a limited use of the programme to assist economic and social development is also foreseen. The debates at the FAO Conference and particularly the General Assembly revealed that many countries are cautious about the idea of using food as a form of development assistance, as favoured by the United States and as the FAO Director-General has advocated as a long-run objective. Many food exporting countries have shown concern about possible damage to commercial export trade, and a number of less-developed countries have expressed fears about the effects of the programme on domestic agricultural producers in recipient countries. The United Nations resolution in particular contains safeguards against dangers of this kind. The Canadian position that the programme should not develop into a surplus disposal operation has been generally endorsed.

5. The approval given to the programme on December 13 by the Second Committee of the Assembly was widely noted by the press and radio in Canada.

N.A. R[OBERTSON]

SECTION E

REPRISE DE LA QUINZIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE,
7 MARS AU 22 AVRIL 1961
RESUMED FIFTEENTH SESSION OF THE GENERAL ASSEMBLY,
MARCH 7 TO APRIL 22, 1961

SUBDIVISION I/SUB-SECTION I

AFRIQUE DU SUD
SOUTH AFRICA

144.

DEA/7060-40

*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 28, 1961

APARTHEID ITEM AT THE GENERAL ASSEMBLY

In an effort to head off the introduction of a resolution calling for economic or other sanctions against South Africa (possibly including expulsion from the U.N.), our delegation has been lobbying informally in the corridors against such a resolution. They have pointed out the advantages of a reasonable resolution which could attract a large affirmative vote, probably including Canada and other moderates. These private discussions have had little effect. The delegation would now like to speak as soon as possible in the debate, in an effort to encourage the introduction of a resolution somewhat along the lines of last year's resolution or, failing that, to attract as large a group as possible to abstain on any extreme resolution. The line which the delegation would like to take in its statement is contained in the attached telegram (No. 639).†

2. While we sympathize with the delegation's objective, we have some doubts about the wisdom of speaking early. Nothing we say is likely to prevent the introduction of a violent resolution, if the Africans are bent on pillorying South Africa. We might possibly persuade a few moderates such as New Zealand, Ireland and the Scandinavians to abstain, but the number of potential converts is quite small. Moreover, if we speak publicly, our position becomes much less flexible; it would be taken as virtually committing our vote in advance, before a resolution was even tabled. In addition, whatever we say publicly may be interpreted as forecasting our approach to the broad question of our future economic and political relations with South Africa.

3. We recommend, therefore, that at least until the resolution is introduced, the delegation not speak publicly, but continue to work for moderation by speaking privately whenever appropriate, and making the following points:

(a) Canada continues to follow its traditional policy of opposing racial discrimination in South Africa or wherever it appears.

(b) We realize that South Africa's racial problems are complex, but we continue to hope that the Union will begin reversing the policy of apartheid.

(c) The General Assembly cannot ignore Article 2 of the Charter which says “Nothing contained in the present Charter shall authorize the U.N. 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...” The Canadian view has always been that this article does not prevent discussion of domestic subjects or prevent the Assembly from expressing opinions, but that it does not permit the Assembly to call for specific action (other, in this case, than appeals to the South African Government for action.)

(d) A resolution calling for sanctions would be harmful because it would probably force South Africa out of the U.N. and, thus, cut the only channel of communication now left between South Africa and the international community. It is difficult to see how anything can be accomplished by driving South Africa into complete isolation; the problem is that the Union is already too isolated from the changing ideas and conditions in the modern world. When the Prime Minister of Malaya suggested that we join in boycotting South African goods, Mr. Diefenbaker rejected the proposal in his letter of September 1st which pointed out that (i) not only would this fail to move South Africa, but it might strengthen extremist tendencies and cause new hardships to South African negroes and (ii) “if every country refused to trade with every other nation whose domestic policies were repugnant to it, the international economic scene would be very distorted indeed.”⁶⁴

(e) Perhaps the most important argument against a resolution on sanctions is that it would run counter to the Charter principle that sanctions are intended solely for the purpose of preventing or stopping international hostilities.

4. Alternatively, should you agree with the delegation that they might speak early in the debate, we suggest that the text in the attached telegram be rewritten. Apart from detailed drafting points, the present text seems to raise the following difficulties: it could be taken as outlining the general character of future relations between Canada and South Africa before the time is ripe; and it focuses too much attention on the Commonwealth Prime Ministers’ Meeting, instead of merely establishing that our opposition to apartheid in London was consistent with our position in the U.N.

5. In view of the relationship between the question of apartheid at the U.N. and the general problem of relations with South Africa, you might wish to bring this matter to the attention of the Prime Minister.

6. You may consider it desirable to give to the delegation some general guidance on voting, in case a resolution be pressed quickly to a vote. This, if you agree, could be based on the points made in paragraph 3 above. If the draft resolution called for economic sanctions or expulsion from the United Nations, it would seem that we would have no choice but at least to abstain or possibly to vote against it. At the same time we would, no doubt, support any clauses passing judgment on South African racial policies.⁶⁵

G. P. DE T. G.[LAZEBROOK]
for Under-Secretary of State
for External Affairs

⁶⁴ Voir/See Volume 27, documents 429, 430.

⁶⁵ Note marginale :/Marginal note:

Tel G-80,† as amended in final para, signed by SSEA 28/3. R. C[ampbell]

145.

DEA/7060-40

*Note de la Direction des Nations Unies
pour la Direction du Commonwealth*
*Memorandum from United Nations Division
to Commonwealth Division*

CONFIDENTIAL

[Ottawa], April 4, 1961

APARTHEID AT THE GENERAL ASSEMBLY

On April 4 Mr. Arthur Smith telephoned me to report that (a) the African delegations had submitted a draft resolution strongly condemning South Africa for its policies of apartheid and containing recommendations for drastic measures like the severance of diplomatic relations and the closing of ports to South African shipping. These were the measures which the Ghanaian representative had listed in his speech earlier. (b) Ceylon, India and Malaya had submitted a moderate resolution which is contained in telegram 716 of April 3 from the Permanent Mission in New York.† Mr. Smith believed that this resolution would have the support of the majority of members of the Special Political Committee.

2. Mr. Smith said that the Canadian Delegation required instructions on the following:

(a) How to vote on the two resolutions. Mr. Smith wished to vote in favour of the Ceylon-India-Malaya resolution and against the African resolution. Later Miss Dunlop reported that the United Kingdom Delegation was seeking instructions to vote in this way.

(b) Whether the Canadian Delegation should speak, when the statement should be made and what the line should be. Mr. Smith was of the opinion that a Canadian statement should be made which would be somewhat more than an explanation of vote, that is to say, it should contain a forthright expression of Canadian views on apartheid and on the principles underlying Canadian policy as regards racial discrimination. He agreed that it was no longer necessary to explain in detail developments during the Commonwealth Prime Ministers' Conference. He assumed that the statement should refer to the position which Canada would adopt on both the draft resolutions. He suggested that some of the material contained in the draft statement, sent to Ottawa by the Delegation, should be used. He hoped that instructions as regards the proposed statement could be received soon.

3. Miss Dunlop reported later that the general debate on this item would probably end on the morning of April 5 at the latest and that the Committee would vote on the resolution immediately afterward. This meant that the Canadian statement should be made either this afternoon or tomorrow morning. The Special Political Committee is meeting in Conference Room 2.

4. I informed Mr. Smith and Miss Dunlop that these views would be taken into account and that appropriate instructions would be telephoned today. As you know, I passed the information to Mr. Glazebrook and to Mr. Duder this morning.

5. From the point of view of United Nations Division, it would be desirable (a) to vote against the African resolution in order to demonstrate Canada's opposition to recommendations from the General Assembly which sought, through direct pressure, to change domestic policies of a member state. This surely would constitute "intervention" in the sense of Article 2(7) which permits the United Nations to intervene only in the application of enforcement measures under Chapter VII (Security Council action with respect to threats to the peace, breaches of the peace and acts of aggression). (b) To make a statement explaining Canadian attitude on apartheid and stating clearly our views on the kind of United Nations action which we consider appropriate in the circumstances. While opposing drastic measures which amount to sanctions, we would go along with efforts to mobilize support for the fullest expression of concern about the continuation of South Africa's racial policies.

G.S. MURRAY

146.

DEA/7060-40

*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], April 4, 1961

U.N. RESOLUTIONS ON APARTHEID

Attached for your approval is a telegram to the Canadian delegation to the United Nations giving instructions for voting on two resolutions concerning apartheid. It is recommended that the delegation vote for the India, Ceylon and Malaya resolution contained in the attached Permis telegram 716 of April 3,† in order to express our concern over South Africa's racial policies. It is recommended, however, that we explicitly state that we have some reservations about the broad phrasing of operative paragraph 3, and that we do not interpret this as condoning the use of force or punitive measures by member states.⁶⁶

2. It is recommended that the delegation vote against the African resolutions on sanctions because

(a) The Canadian Government is on record as opposing sanctions (your statement in the House of Commons on April 27, 1960, and your letter to the Prime Minister of Malaya on September 1st).

(b) We have doubts about the competence of the General Assembly to call for sanctions, especially in a case where there is no threat of international hostilities.

(c) It is important to have as large a negative vote as possible in order to show the Union that there are responsible elements that do not want to force it out of the United Nations by such extreme resolutions.

The suggested statement is based on a combination of suggestions from the delegation and the Minister's most recent instructions on the subject.

The delegation would like to speak as soon as possible in the hope of influencing the voting which may take place as early as tomorrow. Preliminary indications are that a number of

⁶⁶ Note marginale :/Marginal note:

P.M. did not attach special importance to this point, but agreed to its being retained in text of speech.
[H.B. Robinson]

moderate and responsible nations including the United Kingdom, U.S.A., Italy, Netherlands, several Latin American countries and Afghanistan will vote for the Indian resolution and against the African one.⁶⁷

G. P. DE T. G.[LAZEBROOK]
for Under-Secretary of State
for External Affairs

147.

DEA/5475-DW-70-C-40

*Extrait du rapport de la quinzième session (Reprise),
Commission politique spéciale
de l'Assemblée générale des Nations Unies*
*Extract from Report of the Fifteenth Session (Resumed),
Special Political Committee
of the United Nations General Assembly*

AGENDA ITEM 72 – CHAPTER V-5

[Ottawa, n.d.]

CONFIDENTIAL

RACE CONFLICT IN SOUTH AFRICA RESULTING FROM THE POLICIES OF
APARTHEID OF THE GOVERNMENT OF THE UNION OF SOUTH AFRICA

I. *Summary*

The apartheid issue has been on the agenda of every General Assembly since 1952. Although most member states have condemned the discrimination involved in a planned separation of the coloured and white races as a contravention of Charter provisions on human rights, the South African Government has continued to maintain that the matter is one of domestic jurisdiction and that its consideration by the United Nations contravenes the provisions of Article 2(7) of the Charter. For this reason, the South African delegation does not take its seat in committee, although it does keep observers in the public gallery to take notes on the course of debate.

The debate at the resumed fifteenth session took place immediately following the conclusion of the Commonwealth Prime Ministers' Conference, at which Dr. Verwoerd had announced that since the South African Government could not accept the views of other Prime Ministers, it would not re-apply for membership in the Commonwealth after South Africa became a republic. This additional demonstration of the Union Government's intransigence removed to a considerable extent the restraint formerly shown by a number of delegations in drafting moderate resolutions which, by avoiding strongly condemnatory terms, aimed at encouraging a change of attitude in South Africa. In addition, the many new African member states, critical of the absence of results from previous Assembly resolutions, and feeling strongly about this subject, exerted pressure for a strong resolution recommending punitive measures against South Africa.

⁶⁷ Note marginale :/Marginal note:

P.M. agreed:

(a) vote for India, Ceylon, Malaya resolution & all paras thereof

(b) vote against African resolution as a whole & on paragraphs as given in para 3 of telegram No. 727 of April 4† from Permis NY.

Statement as sent in telegram to NY (No. [K-72] of Apr. 5)† carries P.M.'s approval. H.B. R[obinson] Apr. 5

Intense negotiations took place over a ten-day period between Asian and African delegations in an attempt to draft a single acceptable resolution. However, since the African delegations insisted on the inclusion of recommendations for economic and diplomatic sanctions against South Africa, and most Asian delegations considered such recommendations inconsistent with the provisions of Article 41 of the Charter (whereby the imposition of sanctions is the responsibility of the Security Council alone), the two groups submitted separate draft resolutions, both of which deprecated policies based on racial discrimination, censured the racial policies of the South African Government as inconsistent with the Charter and the Universal Declaration of Human Rights, and noted that these policies had led to international friction endangering international peace and security. The main difference was that the African resolution recommended that all states consider taking various forms of sanctions against South Africa, while the more moderate Asian resolution requested all states to consider taking such separate and collective action as was open to them, in conformity with the Charter, to bring about the abandonment of racial discrimination.

The African resolution, after being given priority, was approved in committee 47 in favour (including India, Ceylon, Soviet bloc, Haiti, Nepal, United Arab Republic) to 29 against (Canada, Scandinavia, Australia, New Zealand, U.K., U.S.A., Belgium, Portugal, most Latin Americans, Ireland) with 18 abstentions (China, Cyprus, Pakistan, Japan and other Asians, Iran, Togo, Latins) following 13 separate votes on individual paragraphs or clauses. The Asian resolution was also adopted 93 (including Canada)-1 (Portugal)-0. In Plenary, however, the paragraph recommending sanctions in the African resolution failed to obtain the necessary two-thirds majority (42-34(Canada-21) and the resolution was therefore dropped. The Asian resolution was adopted 95(Canada)-1 (Portugal)-0. (The text is attached at Annex II.)†

II. *The Debate*

At this session the debate was much more heated than at previous Assemblies, partly because of the Sharpeville and Langa incidents of 1960 which had been brought before the Security Council, and partly because of the strong feelings of the new African member states. An indication of the atmosphere is the number of interventions in committee – 55 during the debate and 39 in explanation of vote. The Soviet bloc also was able to inject its own portion of venom into the debate by pursuing its attack on the Secretary-General – in this case, for having so long delayed his visit to South Africa in accordance with the mandate of the Security Council. India, which has usually taken the lead in drafting a resolution and marshalling sponsors, became increasingly irritated by the refusal of African states to work out a compromise text acceptable to the more moderate Asian delegations, and by the attempts of Ghana to make the item its own. Old Commonwealth delegations found India and Ceylon extremely secretive during this period and unwilling to divulge either the terms of their own draft or the prospective sponsors until a few minutes before its submission. Malaya alone kept us fully informed. The new African members manifested their usual impatience with counsels of moderation and juridical objections based on Charter provisions. Resolutions, in their view, must always show an advance over those of previous years, punitive measures must be applied if exhortations do not produce results and Charter limitations on the permissible scope of action may be ignored if political reasons so dictate, particularly since these new members do not always feel themselves bound by conventions concluded before their admission to the Organization. The Africans rejected the argument that sanctions recommended by the General Assembly not only had a very dubious juridical basis, but would also be more likely to harm than help the non-white population of South Africa, on the grounds that that population could not be brought lower and punitive measures would at least give them a “spiritual uplift.” The Ghanaian representative and Wachuku of Nigeria in particular expressed the opinion that when all African States put forward a resolution on any question concerning Africa, they would not

tolerate any opposition or criticism from other member states, which were necessarily less well informed. The intransigent attitude of all African delegations prompted the Arab states actively to support that draft rather than the Asian and explains the abrupt withdrawal of the UAR as co-sponsor of the Asian resolution to become a co-sponsor of the African draft. Also, although Krishna Menon spoke in opposition to the African proposal for sanctions, India later contented herself with an abstention on that particular paragraph, while voting in favour of the resolution as a whole, obviously fearing that to abstain, along with other Asians, on the resolution would weaken her position of prestige and influence within the Afro-Asian group.

While South Africa remained the chief target for criticism, the Soviet bloc plus Cuba and those African countries which tend to echo the Soviet line blamed the continuing intransigence of South Africa on the support received through the capital investment policies of friendly Western countries.

III. *The Canadian Position*

As Canada and South Africa are still fellow members of the Commonwealth with a long history of close association, the Delegation aimed at encouraging the submission of a resolution which did not condemn South Africa but rather encouraged the Union Government to modify their policies to take into account the general abhorrence of the doctrine of apartheid. A moderate resolution could be expected to attract a large number of favourable votes and reduce the number of abstentions, thereby demonstrating forcibly to South Africa the strength of world opinion. The Delegation therefore carried on intensive private consultation urging moderation for more than a week preceding the submission of the two draft resolutions. The factors stressed in these talks and in a statement (Press Release No. 39 of April 5, as Annex III)† included an expression of opposition to all forms of racial discrimination and also a warning that while Article 2 of the Charter, in Canada's view, did not prevent the Assembly from discussing domestic subjects or expressing its opinion, it did not permit the Assembly to call for specific action (other, in this case, than appeal to the Union Government for action). Regarding the proposal of sanctions, the Delegation expressed the opinion that such a recommendation could be counter-productive, as it might force South Africa out of the United Nations and thereby cut the only channel of communication left between the international community and a country already too isolated from the changing conditions in the world. The main argument used by the Delegation against sanctions was that the proposal ran counter to the Charter principle that sanctions were intended solely for use by the Security Council for preventing or stopping international hostilities. Similar arguments were used by other friendly delegations with an interest in heading off an extreme resolution, but African delegations refused to take these opinions into consideration. They stated that they were less interested in obtaining widespread support than in expressing an "African" viewpoint; should their proposal fail to be accepted, they would re-introduce it at all future sessions until it was accepted.

Fortunately, the sanctions proposal was unacceptable on juridical grounds to a large number of delegations, and the fact that the milder Asian resolution remained as an alternative enabled delegations to vote against or abstain on the African draft while indicating disapproval of apartheid by voting for the Asian. The Canadian Delegation was therefore able to support the Asian draft in all the parts (with the reservation that the resolution did not condone the use of force or punitive measures).

IV. *Recommendations for Future Action*

Since it is most unlikely that the South African Government will moderate its apartheid policy in the near future, this item can be expected to reappear on the agenda of the sixteenth session. It seems clear also that African members will try again to have a recommendation of sanctions included in draft resolution. The fact that many African states have openly

committed themselves at a number of African conferences to the application of sanctions will make it difficult for them to appear to accept at the United Nations the many arguments against sanctions advanced by older Member States. The practical and juridical problems of implementing such recommendations do not seem to have been important to them in comparison with the personal satisfaction which could be derived from a tangible form of retaliation and punishment.

The fact that the African States as a group refused to take advice from any other states, together with their desire for vengeance rather than reform, led them to choose one of the most extreme forms of punitive recommendations. Tactically, they would have been much wiser to choose instead some of the courses of action to be found in Chapter VI of the Charter (Pacific Settlement of Disputes), particularly Articles 33, 36 and 37. In the interval before the opening of the sixteenth session, consultations with Ghanaian and Nigerian officials could be useful. It could be pointed out to them that the Asian resolution provided a sufficient opening for the independent application of economic sanctions by those states which desired some or all of the various forms available; indeed, a number of states had already taken such action without reference to the United Nations. There is also evidence that the overwhelming support given to the Asian resolution, together with the results of the Commonwealth Prime Ministers' Conference, has made a strong impression on public opinion in South Africa. In addition to these arguments, it might be useful to mention the alternative tactical approach by Chapter VI of the Charter, which might form the basis for a compromise between moderate and extremist opinion and permit the drafting at the sixteenth session of a single, generally acceptable resolution.

SUBDIVISION II/SUB-SECTION II

RUANDA-URUNDI

148.

DEA/12862-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour la Direction de l'Afrique et du Moyen-Orient*

*Memorandum from Special Assistant,
Office of Secretary of State for External Affairs,
to African and Middle Eastern Division*

RESTRICTED

[Ottawa], April 20, 1961

RUANDA-URUNDI

Mr. Nesbitt telephoned this afternoon to put the following proposition: the Fourth Committee has adopted a broadly-sponsored resolution presented in the names, inter alia, of India, United States, Norway, one of the principal recommendations of which is to be found in paragraph 9, calling for a full and unconditional amnesty for political prisoners. You will recall that a rider has been added to paragraph 9 which would require that grave crimes be examined by the representatives of three member states, to be selected by the United Nations General Assembly, with a view to securing the release from prison or the repatriation of the persons detained.

2. Mexico, Tunisia and Sweden were the three countries originally selected to supply the examining officers. Mr. Nesbitt's phone call was to say that Mexico and Tunisia had accepted but Sweden had declined for lack of a suitable appointee. He asked permission to have Canada volunteer to take Sweden's place provided the Belgians did not object. Subsequently Parry

phoned to say that the Belgians would welcome a Canadian appointment. It was added that Tunisia had pressed Canada to accept.

3. This proposition was put to the Minister tonight, who approved it; the Mission in New York was notified by telephone. The matter will now have to go to plenary.

4. If approved in plenary and a Canadian representative is required, the Mission has indicated that a person with legal training and, if possible, some background knowledge of the area and facility with French will be needed. It is a three-week assignment (there are only about a dozen serious cases to be examined) in May or June 1961. The time will be spent partly in Brussels and partly in the territory.

ROSS CAMPBELL

149.

DEA/50161-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 995

New York, April 24, 1961

CONFIDENTIAL. PRIORITY.

Reference: Our Tel 933 Apr 19.†

Repeat for Information: London, Washington, Paris, NATO Paris, Geneva, Brussels from Ottawa.

By Bag Cairo, Cape Town, Lagos, Accra, Delhi from London.

15TH UNGA; QUESTION OF FUTURE OF RUANDA-URUNDI

Ruanda-Urundi item came up in plenary April 21 (rapporteur's report is contained in document A/4735).†

2. Norwegian Representative said that after consultation with other delegations, he wished to nominate Brazil, Canada and Tunisia as members of the special commission to be set up under paragraph 9(b) to examine cases of very grave crimes. No repeat no objection was raised to this proposal.

3. Belgian Representative (Loridan) then made a statement which was markedly different from Belgian attitude in committee. After saying that Belgium wished to cooperate fully and loyally with UN, Belgian Permanent Representative acknowledged that UN Commission for Ruanda-Urundi "did not repeat not find altogether fit conditions for the accomplishment of its mission." He said "I keenly regret that, which was the result only of a regrettable combination of circumstances. Moreover, it should like to express the greatest respect for the eminent qualities of the President of the Commission, Ambassador Dorsinville, who had earlier undertaken several missions to Ruanda-Urundi in perfect agreement with the administering power." In mild terms Loridan said that Belgium could not repeat not vote for the resolution because of (a) the disagreeable character of the preamble; (b) the contradiction between "decisions" imposed by Assembly and the full and exclusive responsibility of Belgium as administering authority; and (c) the "constitutional confusion" of the terms used in drawing up the resolution. Loridan concluded with an explicit assurance that Belgium would heed the Assembly recommendations and that UN Commission would meet with "the assistance and complete cooperation of Belgian administration." Full text of statement is being airmailed to Ottawa and Brussels.

4. Earlier it had been hoped to work out an understanding under which the word “decides” in operative paragraph 6 of draft resolution I would be changed to “recommends,” while some language would be inserted in operative paragraph 3 paying due regard to the wishes of the people; in return, Belgium would abstain on the resolution as a whole. However, instructions from Brussels were firm: Belgium would have to vote against unless a respectable number of Western delegations would agree to abstain. The project for introducing amendments of this kind in plenary was therefore abandoned, probably wisely, since it is doubtful if they would have been accepted.

5. Prior to voting on draft resolution I (the 25-power resolution on the future of Ruanda-Urundi), the President announced that a separate vote had been asked for on preambular paragraphs 4, 5 and 6. Liberia opposed division on the grounds that the whole of the resolution represented a delicate balance between various views. The motion for a separate vote (probably requested by UK) was denied by 25 in favour (Canada), 41 against, with 12 abstentions (USA, Latins).

6. Boland then said he felt bound to draw the attention of the Assembly to the need for a separate vote on operative paragraph 13 of the resolution (the Nepalese amendment) the Assembly had decided to set April 21 as the closing date for the 15th Session. Therefore, if this decision was to be reversed, the President suggested, it could only be reversed by a specific decision of UNGA under rule 83 (which requires a two-thirds majority). He therefore asked the Assembly to vote separately on operative paragraph 13.

7. Once again, Liberia (Miss Brooks) challenged the suggestion for a separate vote. She was supported by Guinea while Bingham (USA) spoke in favour of division, pointing out that the paragraph had been added to text as an amendment, its inclusion would create a precedent and moreover would be looked upon as a “club” over Belgium. Bolivia also supported the suggestion for a separate vote on the paragraph. The motion for division was lost by a roll-call vote of 33 in favour (Canada), 46 against (African-Asians and Soviet bloc) with 13 abstentions (Cyprus, Laos, Thailand, Latin Americans).

8. Draft resolution I was then put to a vote after the President had drawn the Assembly’s attention to the composition of the special commission to be set up under operative paragraph 9(b). The Assembly approved the selection of Brazil, Canada and Tunisia without a vote being taken. Draft resolution I as a whole was adopted by 86 in favour (Canada), one against (Belgium), with 4 abstentions (France, Portugal, Spain, South Africa).

9. Draft resolution II on land tenure and agrarian reform in Ruanda-Urundi was adopted unanimously.

10. As you will appreciate, rejection of the request for a separate vote on paragraph 13 and adoption of the first resolution means that the 15th Session of UNGA did not repeat not end on April 21 but is left open for further consideration of the Ruanda-Urundi item if UN Commission decides that the performance of its duties is hindered “through deliberate obstruction or lack of requisite cooperation from any quarter.” The vote on division can also be interpreted as meaning that Western delegations can no repeat no longer muster enough support for a separate vote on a controversial paragraph in a “colonial” resolution, even when this reverses a previous decision of the Assembly and is proposed by the President so that vote becomes an appeal against his ruling.

150.

DEA/12862-40

*Note du chef de la Direction de l'Afrique et du Moyen-Orient
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Head, African and Middle Eastern Division,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], April 27, 1961

Reference: Your enquiry as to the terms of reference of the Commission of Judicial Review for Ruanda-Urundi.

TERMS OF REFERENCE OF THE COMMISSION
OF JUDICIAL REVIEW FOR RUANDA-URUNDI

Attached are two memoranda† which treat the background and the development of the Ruanda-Urundi item in the fifteenth Session of the United Nations (See particularly paras. 10, 12 and 13 of the memorandum of April 20 and paras. 2 and 4 of the memorandum of April 26. A copy of the main resolution on Ruanda-Urundi adopted in plenary on April 21 is also attached† (See telegram 933 of April 19 from Candel† and particularly operative para. 9).

2. Political affiliations in Ruanda-Urundi are determined largely by the feudal tribal pattern, accentuated by the division between the landowning Tutsi tribes, comprising about 15% of the population, and the subject Hutu tribes, comprising about 80% of the population. The Belgians have played off the more numerous, disgruntled Hutu factions against the Tutsi factions and have encouraged them to undermine the formerly dominant position of the Tutsis. The Tutsis, in an attempt to maintain their dwindling ascendancy, have adopted an anti-Belgian and nationalist attitude.

3. Many of the detainees in the territory are nationalists who have been convicted of political offences, and it has been one of the aims of the strongly anti-colonial elements in the United Nations to secure their release. A broad African-Asian group and the Soviet bloc have supported a demand for general amnesty, which was contained in a resolution adopted by the General Assembly during the first part of this Session, and which has been adamantly opposed by Belgium, other European powers and many non-colonial Western countries. In negotiations between the African-Asian group and certain non-colonial Western delegations led by the United States, a position of compromise was eventually reached whereby a general amnesty would be proposed, providing cases of a grave criminal nature were excepted and submitted for consideration to a commission of judicial review.

4. A provision was accordingly incorporated as operative paragraph 9 of a draft resolution, which was eventually adopted in plenary:

“Notes the information given by the representative of the administering authority concerning measures of amnesty already implemented, and recommends that: (a) Full and unconditional amnesty, as envisaged in resolution 1579 (XV) be immediately granted by the administering authority, and (b) the few remaining cases which, in the administering authority’s view are guilty of “very grave crimes” be examined by a special commission composed of the representatives of three member states to be elected by the UN General Assembly with a view to securing their release from prison or return from abroad in the full implementation of the UN General Assembly’s recommendation concerning amnesty not later than two months before the national elections.”

Belgium was strongly opposed to the provision. The Canadian attitude was that, although it was an unsatisfactory provision, it went some way towards meeting the Western position, it did not detract from the general value of the draft resolution, the unexpectedly moderate resolution had overwhelming support from both African, Asian and Western countries, and the membership of the commission of judicial review was likely to be acceptable to Canada. The originally proposed members were Mexico, Sweden and Tunisia, but the first two countries, being unable to serve, were replaced by Brazil and Canada. The developments leading up to the Canadian nomination are outlined in paragraphs 2 and 4 of the attached memorandum of April 26.

5. Should the selected Canadian commissioner not have a sufficiently broad legal and political background, it may be advisable to consider the appointment of a suitably qualified official adviser.⁶⁸

L.A.D. STEPHENS

SUBDIVISION III/SUB-SECTION III

APPRÉCIATION DE LA REPRISE DE LA QUINZIÈME SESSION
ASSESSMENT OF THE RESUMED FIFTEENTH SESSION

151.

DEA/5475-DW-70-D-40

*Extrait du rapport de l'appréciation générale de la quinzième session,
de l'Assemblée générale des Nations Unies*

*Extract from Report of General Assessment of the Fifteenth Session,
of the United Nations General Assembly*

CHAPTER II

[New York, n.d.]

SECRET. CANADIAN EYES ONLY.

GENERAL ASSESSMENT OF THE FIFTEENTH SESSION

[Pour la première et troisième parties de ce document, voir Volume 27, document 121.]

[For the first and third parts of this document, see Volume 27, document 121.]

...

Second Part of the Session

After the experience of the first part of the session, it was the hope of many that controversy could be kept to a minimum during the resumed session. In spite of considerable discussion about limiting the rest of the session to "essential" items only, however, it proved impossible to devise a scheme which could command general agreement. The only thing on which all could agree was that the session should end by a fixed date, regardless of whether or not the agenda had been completed.

⁶⁸ Martial Asselin a été nommé commissaire canadien. Pour consulter le rapport de la Commission, voir Nations Unies, *Documents officiels de l'Assemblée générale*, seizième session, Annexes, 1961-1962, Point 49 de l'ordre du jour, le 19 septembre 1961 au 23 février 1962, pp. 2 à 70, et additifs.

Martial Asselin was appointed as the Canadian commissioner. For the commission's report, see United Nations, *Official Records of the General Assembly*, Sixteenth Session, Annexes, 1961-1962, Agenda Item 49, September 19, 1961 - February 23, 1962, pp. 2-74, and Addenda.

The resumption of the session was marked by an evident anticipation on the part of the Soviet bloc, shared to some extent by some others, that the change of administration in the United States would bring a "new look" in United States policies which might make it possible to soften the confrontation of East and West in the United Nations. Under the leadership of Adlai Stevenson, the United States Delegation, for its part, seemed anxious to demonstrate greater initiative and a willingness at least to re-examine its position on the issues before the Assembly. In some cases this resulted in a more understandable and more appealing presentation of United States policies. Before too long it became apparent, however, that the basic features of the Soviet and the Western positions had not changed and that the room for manoeuvre was a very small one on both sides. This was made particularly clear by the Cuban crisis. The only question on which even limited agreement was reached between the United States and the U.S.S.R. was disarmament; even then the agreement was only to discuss further the resumption of negotiations. African influence at the resumed session continued to make itself felt most strongly on the basic issue of colonialism. Apart from that, however, and the questions of economic aid and technical assistance, there was nothing that could be called a united expression of African opinion and there were, on the contrary, many signs of incipient conflicts of interests and ideology. This tended to modify somewhat the shift in the balance of voting power in the Assembly that resulted from the influx of African members. Although the African-Asians commanded enough votes to block a proposal they did not like, they could pass a proposal only if they were themselves united on it and could enlist the support of one of the other groups in the Assembly. On the whole, the African states did not use their new-found influence in support of extreme positions.

...

[JOHN HALSTEAD]

152.

DEA/5475-DW-70-40

*Extrait du rapport final de la reprise de la quinzième session,
de l'Assemblée générale des Nations Unies*

*Extract from Final Report of the Resumed Fifteenth Session,
of the United Nations General Assembly*

[Ottawa], September 25, 1961

I. ASSESSMENT OF THE FIFTEENTH SESSION
OF THE GENERAL ASSEMBLY

The atmosphere during the first part of the fifteenth session was charged with East-West tension and acrimony. Largely because the Soviet Union chose to wage political warfare, there was little that could be done by other members, especially the uncommitted group, to check the deterioration in East-West relations which had developed since the collapse of the Summit in May 1960. Faced with presidential elections and with the Soviet onslaught, the United States was in no position to give leadership and the West found itself, for the most part, on the defensive. The Soviet Union seemed determined to capitalize on the fact that a large number of new African states had just entered the international arena at a time when African issues, especially the situation in the Congo, were at a critical stage. The United Nations difficulties in the Congo, moreover, were ripe for exploitation.

The Soviet propaganda campaign, especially the attack on the Secretary-General, had a sharp impact. Confidence in the United Nations was badly shaken, and, generally speaking, the membership was in disarray at a time when cohesive support was needed to bolster the United Nations effort at peace-keeping. Nevertheless, the Soviet Union did not succeed in mobilizing uncommitted support for its attack either on the Secretariat or on colonialism. The African-Asians, especially the new members, were confused but the majority of them chose to rally around moderate positions. The helplessness of the United Nations in the pre-Christmas session was very disturbing, however, and cast gloom over the Assembly for the future prospects of the United Nations.

By the time of the resumed session, the Kennedy Administration had been installed in Washington and significant steps had been taken by the United States and the Soviet Union to mend their relations. The United Nations had managed to hold on in the Congo, although the situation there had not improved. About the time of the Security Council resolution of February 21, the African-Asians began to rally to the support of the United Nations in the Congo and civil war was averted. Notwithstanding continuing difficulties, the resumed session took place in a changed atmosphere which permitted the Assembly to deal with most of the remaining items on its agenda. Of course, this was partly accomplished by playing down or postponing a number of controversial items. The impression left is that many of these issues will be re-opened at the sixteenth session but there is at least a chance that by the autumn there will be a further improvement in the international climate which will permit the member states to approach the main problems of the Organization more objectively and dispassionately.

There is an urgent need for all member governments to ascertain for themselves the United Nations' worth as a means for international co-operation in the fields of peace and security, economic and social development and humanitarian progress. This calls for a determination of the degree to which the Organization serves not only the international requirements of the present time but the national needs of several member governments. Canada has consistently looked upon the United Nations as an Organization whose primary function is to maintain peace and security and the Canadian aim is to strengthen the United Nations' effectiveness for that purpose. Rather than let the present tendencies develop unchecked, Canada will work to restore confidence in the United Nations and to adjust the balance in relations between the various power groupings. This may require, among other things, some changes in the composition of the various organs, including the Secretariat, but the main requirement is a change of attitude on the part of all member states, so that in asserting their rights in the Organization they will be careful to respect the rights of others and willing to assume an equitable share in the responsibilities and obligations, including the all-important collective sharing of financial costs.

...

SECTION F

SEIZIÈME SESSION DE L'ASSEMBLÉE GÉNÉRALE,
19 SEPTEMBRE AU 20 DÉCEMBRE 1961
SIXTEENTH SESSION OF THE GENERAL ASSEMBLY,
SEPTEMBER 19 TO DECEMBER 20, 1961

SUBDIVISION I/SUB-SECTION I

INSTRUCTIONS À LA DÉLÉGATION CANADIENNE
INSTRUCTIONS TO THE CANADIAN DELEGATION

153.

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. 349-61
SECRET

[Ottawa], September 21, 1961

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

The provisional agenda of the sixteenth session of the General Assembly includes 93 items. This memorandum contains suggested lines of policy to be followed by the Canadian Delegation on a number of more important questions. Separate memoranda are being submitted on Chinese representation, the Berlin question and on Canadian financial contributions to various United Nations programmes. As the session progresses, supplementary instructions may be required on specific issues.

2. The sixteenth session will meet in an atmosphere of increased international tension resulting from the Berlin crisis, the partial mobilization in the Soviet Union and the United States and the Soviet Union's decision to resume nuclear weapons testing which has evoked a United States intention to resume underground testing. While the Assembly may be expected to be preoccupied with East-West relations, questions of special and immediate interest to the uncommitted and under-developed countries will also continue to be featured prominently at this session.

3. As well, the Assembly will be faced again with a number of contentious organizational and constitutional questions resulting partly from the increased membership and the evolution which has taken place in the functions of the Organization. These raise fundamental questions about the character and role of the United Nations and the Assembly may be called upon to take decisions of utmost significance for the future.

4. At this critical time in international affairs, it is important that the prestige and authority of the United Nations should be strengthened as far as possible. In its general approach to the sixteenth session and in keeping with the strong support which Canada has given to the United Nations, the Canadian Delegation should be governed by a desire to see the United Nations strengthened as an effective instrument for maintaining international peace and for promoting the economic and social progress of the member countries. While pursuing these and other objectives in the General Assembly, it should be the Delegation's aim, in co-operation with

like-minded delegations, to ensure that the work of the session is conducted in an orderly and effective manner and with a restraint and moderation calculated to reduce existing tensions.

5. The remaining paragraphs of this memorandum contain recommendations concerning the position which the Canadian Delegation should adopt on some of the main items before the Assembly. Attached to the memorandum is an annex† containing brief explanatory notes of the items concerned.

ORGANIZATIONAL AND CONSTITUTIONAL QUESTIONS

Admission of New Members

6. If the admission of Outer Mongolia, through insistence by the Soviet Union, is linked with the applications of other states whose membership Canada would wish to support (Mauritania, Kuwait, Sierra Leone), the Canadian Delegation should vote in favour of the package resolution. If there should be a straight vote on the Outer Mongolian application and general support for its admission, including that of close friends, the Delegation should vote affirmatively. If on a separate vote support for Outer Mongolia is divided, the Delegation may abstain or seek further guidance from Ottawa.

Assembly Slate of Officers

7. Canadian support has already been indicated for Mr. Mongi Slim (Tunisia) as President; for Greece as one of the vice-presidencies; for Ambassador Amadeo (Argentina) as Chairman of the First Committee and Mr. Lannung (Denmark) as Chairman of the Fifth Committee. The Delegation was guided by the established geographical distribution for the remaining offices, supporting Italy for the Second Committee, the Philippines for the Third, Liberia for the Fourth and Panama for the Sixth.

Security Council Elections

8. As candidate for the Commonwealth seat, Ghana has the support of all Commonwealth countries and Venezuela's candidature is expected to prevail over that of Cuba for the Latin American seat. Canada should support these two candidates. As for the competition between Romania and the Philippines for the so-called "East-European" seat, the Delegation should support the Philippines on the first ballots but if a deadlock should occur, the Delegation should be authorized to support either a compromise candidate or ultimately an arrangement for a split term. Canada should support Ireland for the seat to be relinquished by Liberia, in accordance with the compromise reached at the fifteenth session.

ECOSOC Elections

9. Canada is committed to support Australia and India and should also support the United States for re-election and the agreed Latin American candidate likely to be Colombia. As for the remaining two seats, the Delegation should, in the first ballots, vote in favour of Yugoslavia and either Senegal or Tunisia, depending on the outcome of Slim's candidature for the Presidency. Because of the multiplicity of candidates, the Delegation should be given some discretion in subsequent voting, when taking into account existing commitments and the need for greater African representation.

Charter Review and Amendment

10. Because of the current international tension, the obstacles to a general review of the Charter remain formidable despite the pressures for existing amendment of the Charter, especially in relation to the enlargement of the Security Council and the Economic and Social Council to give more adequate representation to Africa and Asia. The Canadian Delegation should continue to urge that enlargement of the Councils will be the only satisfactory way to achieve equitable representation.

Re-Organization of the Secretariat

11. Together with a great many members, Canada has rejected the Soviet proposal for a three-man directorate to replace the Office of the Secretary-General and the Delegation may be required to restate this Canadian position. Canada has recognized the need for some re-organization of the Secretariat in order to provide representation for under-represented areas and a more equitable balance in the composition of the Secretariat. This should be accomplished, however, in an orderly way and without harm to the concept of an independent and impartial international civil service, free from national pressures. The Canadian Delegation should welcome Mr. Hammarskjöld's proposals for re-organizing the senior echelons of the Secretariat.

POLITICAL QUESTIONS

Angola

12. As regards this most contentious problem, the Canadian Delegation should support that part of any resolution reaffirming the right of the people of Angola to self-determination. Canada recognizes, however, that the means of bringing about full independence, and particularly its timing, must be related to conditions within the territory concerned. In addition, any proposal to send a mission over the objections of Portugal or to impose diplomatic or economic sanctions should be referred to Ottawa.

Congo

13. The Canadian Delegation should support any initiative directed toward facilitating a comprehensive political settlement which will preserve the unity of the Congo. On the question of reducing the United Nations Force, the Canadian Delegation should be guided by the recommendations of the Advisory Committee on the Congo and any precipitate action to withdraw the United Nations military presence before the local authorities are prepared to take over their full responsibilities should be discouraged. As for the extent of future United Nations technical and financial assistance, proposals calculated to meet genuine and urgent needs of the Congo within the capacity of the United Nations and with due recognition of its commitments elsewhere should receive Canadian support.

Apartheid

14. No doubt should be left in the minds of the South African Government about the complete disapproval by nearly every member of the United Nations of their apartheid policies. Accordingly, the Canadian Delegation should be prepared to support those parts of a resolution, even though they may be phrased in very strong terms, which condemn apartheid policies. If the same resolution should contain proposals concerning sanctions or the expulsion of South Africa, the Delegation should refer to Ottawa for instructions.

Disarmament and Nuclear Tests

15. The Western position can be most persuasively stated by avoiding propaganda and by emphasizing the merits of the new Western plan, a flexible and accommodating approach to the problems of composition and procedure and a clear indication that the West is anxious to proceed with constructive disarmament negotiations as soon as possible. The Canadian Delegation should use its influence to promote a favourable reaction from the General Assembly and give special emphasis to important features ("measures to deal with nuclear weapons and strategic vehicles" in the first stage) which were not present in previous Western plans. The Delegation should also stress the attempt made in the latest Western statement of principles to take into account the position adopted by the Commonwealth Prime Ministers and the resolution introduced by India and other states at the 15th session. It should try to secure agreement on a satisfactory composition for the negotiating body, including the participation

of neutral states, and should work for the establishment of procedures for facilitating negotiation, through appointment of impartial officers and similar arrangements.

16. Depending on developments during the debate, some of the ideas contained in the Canadian resolution put forward at the 15th session may be re-introduced, especially as regards the need for ensuring effective means of communication between the negotiating body and the United Nations. The Delegation's main effort in this context should be to ensure the early resumption of negotiations in a body which will have a greater chance of success than in previous years.

17. Canada's unequivocal stand against nuclear weapons tests should be the basis for constant and vigorous efforts by the Delegation to impress upon the Assembly the importance of achieving a permanent and guaranteed cessation of testing. The Delegation should, therefore, press for recognition of the urgent necessity of reaching agreement on an international treaty which will ensure, through agreed arrangements for inspection and verification, that testing will cease for all time.

18. On the question of preventing the further spread of nuclear weapons, the Delegation should also stress the need for international agreement and reference should be made to the clause included in the new Western disarmament plan prohibiting the further dissemination of nuclear weapons. The Delegation should work closely from the outset of the session with the Irish delegation to ensure that their present inclination toward a resolution which emphasized the desirability of reaching international agreement will be reflected in the final draft of any proposal they may put forward. Every effort should be made to combat any tendency to emphasize unilateral measures outside a disarmament agreement which might result from pressures on the part of the Soviet delegation or extremists among the uncommitted countries.

Outer Space

19. Because of recent scientific developments and Soviet threats to arm space vehicles with super bombs, the Canadian Delegation should urge vigorously that immediate action be taken to ensure that specific scientific and legal questions concerning the peaceful uses of outer space will be studied seriously under United Nations auspices with the least possible delay. As a first step, the Delegation should work for an acceptable reconstitution of the Committee on the Peaceful Uses of Outer Space with a composition which avoids the troika concept. If it should prove impossible to reconstitute the Committee, other methods of pursuing the tasks assigned to the Committee should be explored with friendly Delegations.

Radiation

20. In view of the Soviet resumption of nuclear weapons testing in the atmosphere, the Canadian Delegation should restate its deep concern about radiation hazards. The measures already taken by Canada to set up a programme of radiation analysis should provide the Canadian Delegation with an opportunity to make a constructive contribution during the debate on the progress report of the United Nations Scientific Committee on the Effects of Atomic Radiation and to strike a new note of urgency about the need to continue monitoring programmes.

Korea

21. Efforts will be made at the 16th session to postpone the debate on Korea and keep it as non-controversial as possible. As a result of informal meetings in Washington in August, Canada has agreed to join with the United States, United Kingdom, Australia and New Zealand in co-sponsoring a mild resolution which, while reaffirming United Nations objectives in Korea, will avoid other controversial matters and should not provoke acrimonious debate.

Tibet

22. To achieve the widest possible support, the Canadian Delegation should, as in 1959, work and vote for a moderate resolution emphasizing human rights and avoiding political judgments about the international status of Tibet.

ECONOMIC QUESTIONS

Food Banks

23. If, by early December, the FAO Conference should have produced concrete proposals for a Food Bank, the Delegation should be guided by the position paper approved by ministers on August 9 (Cabinet Document 286-61 of July 21, Annex I)⁶⁹ and should continue to support the creation of a multilaterally financed United Nations food bank devoted initially to meeting emergency needs for food. The Delegation should also urge participation by a maximum number of members, especially the more developed countries, in a \$100 million food bank with contributions based on the FAO or United Nations scale of assessments, subject to the Canadian contribution not exceeding one-tenth of the United States contribution, nor \$5 million initially.

QUESTIONS CONCERNING NON-SELF-GOVERNING TERRITORIES

Target Dates

24. Canada should continue to oppose the fixing of target dates for independence, since this is relevant both to the welfare of the dependent peoples concerned and to international stability. The Delegation should also oppose any resolution which so specifically demanded independence for all dependent territories as to ignore the evident impossibility of some very small territories ever surviving as independent entities. On the other hand, Canada should support a formulation in more general terms expressing the Assembly's concern that the aspirations of dependent peoples toward self-determination should be advanced as rapidly as possible.

Information on Non-Self-Governing Territories

25. Canada can no longer oppose measures calling upon Portugal to adopt a more forthcoming attitude about transmitting information to the General Assembly on Portuguese dependencies. However, Canada should not accept any contention that administering powers have any legal obligations to transmit information beyond those specifically listed in Article 73. Canada should therefore not support any move to make obligatory the transmission of information on political conditions. The Delegation could support, however, any moderate Assembly resolution encouraging voluntary transmission of such information on political conditions.

South-West Africa

26. The Delegation should support any resolution which urges all parties to this dispute to accept the judgment of the International Court and, if it is clear that South Africa is prepared to appear before the Court, the Delegation should support moves to postpone discussion of questions of substance until after the Court decision is rendered. The Delegation, while making clear Canada's strong opposition to the application of apartheid policies in South-West Africa, should vote against any resolution calling for direct United Nations intervention in South-West Africa. If an opportunity arises in discussion, the Canadian Delegation should continue to urge that the best solution for South-West Africa would be a United Nations trusteeship agreement entered into by South Africa.

⁶⁹ Voir/See document 140.

UNITED NATIONS FINANCING

27. At the 16th session, the Canadian Delegation should continue to work for generally acceptable methods and procedures for the future financing of peace-keeping operations which will place United Nations activities in all fields on a sound financial footing. The exact nature of proposals for this purpose will depend on the outcome of the meetings, still in progress, of the Working Group on the Examination of Administrative and Budgetary Procedures, established as a result of the Canadian initiative at the resumed 15th session. Canada should continue to press the view that, especially in the field of peace and security, the financial expenses should be the collective responsibility of the whole membership with the recognition, however, that some relief may have to be given to the less-developed countries as regards the scale of assessment. While every effort should be made to obtain Assembly approval for a pattern for future financing of peace-keeping operations, the Delegation will be required, in consultation with like-minded states, to evolve a satisfactory *ad hoc* formula for dealing with the current financial deficit. The Delegation should seek further instructions when proposals for financing have emerged in a more precise form.

H.C. GREEN

154.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], September 23, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair, (for morning meeting only),
 The Secretary of State for External Affairs (Mr. Green) in the Chair, (for afternoon meeting only),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill), (for morning meeting only),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Postmaster General (Mr. William Hamilton),
 The Minister of Mines and Technical Surveys (Mr. Comtois), (for morning meeting only),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker), (for morning meeting only),
 The Associate Minister of National Defence (Mr. Sévigny), (for morning meeting only),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

UNITED NATIONS GENERAL ASSEMBLY;
INSTRUCTIONS TO CANADIAN DELEGATION
(Previous reference September 6)

9. *The Secretary of State for External Affairs* said that consideration should be given to the instructions to be issued to the Canadian delegation to the sixteenth session of the United Nations General Assembly.

10. *During the discussion* the following points were raised:

(a) Any proposals for increased contributions by Canada for U.N. operations in the Congo should be referred to the Cabinet for consideration.

(b) Some said that Canada should not contribute funds to support U.N. efforts to compel Katanga to join the Congo. The U.N. Congo Force had not taken decisive action to prevent the Communist elements in the area from obtaining shipments of arms, but was now opposing Tschombe who was one of the few local leaders who supported the western viewpoint.

(c) Others said that the U.N. policy of preserving the unity of the Congo had already been established, and that Canada should support that policy. Tschombe was in reality the front man for a large Belgian mining company.

11. *The Cabinet,*

(a) approved the memorandum of the Secretary of State for External Affairs (Cab. Doc. 349-61 of September 21st, 1961) as the basis of instructions to the Canadian delegation on the position they should adopt on questions to be considered at the sixteenth session of the United Nations General Assembly; and

(b) agreed that, with reference to paragraph 13 of the explanatory memorandum, the Canadian delegation should make no commitments regarding further Canadian financial participation in Congo operations of the United Nations, but should refer any proposals for such participation to the Cabinet for consideration.

R.B. BRYCE

SUBDIVISION II/SUB-SECTION II
GROUPE D'EXPERTS MINISTÉRIELS SUR L'AFRIQUE
DEPARTMENTAL PANEL ON AFRICA

155.

DEA/5475-DW-70-40

*Extrait du rapport final de la quinzième session
de l'Assemblée générale des Nations Unies*

*Extract from Final Report of Fifteenth Session
of the United Nations General Assembly*

[Ottawa, no date]

...

V. COLONIAL QUESTIONS

With the admission to the United Nations of 16 new African states (raising the total of Africans to 24, and of the African-Asian group to 45), colonial issues have become the focus of significant and urgent attention in the General Assembly and, to some extent, in the Security Council. During the past year, the Security Council dealt with the Sharpeville incident in South Africa and with the situation in Angola. As well, the Congo situation has been depicted by the

Soviet Union and others as a colonial struggle. In the Assembly, colonialism has been raised as a separate issue as well as in the form of questions like apartheid and treatment of persons of Indo-Pakistan origin in South Africa, Algeria, the Congo, Angola, South-West Africa, Ruanda-Urundi and other questions concerning non-self-governing territories. The cumulative effect has been to put many Western states on the defensive during much of their time at the United Nations.

In the United Nations, the emerging states of Africa and Asia have long pressed for full independence to all non-self-governing territories but now, strengthened by the rapid enlargement of their group, they have sought to extend their power and influence largely at the expense of the West Europeans. Moreover, they have tried to obtain, through U.N. channels, an ever-increasing amount of economic and technical aid. The complex relations between the so-called colonial powers and the anti-colonial group have been often exploited by the Soviet bloc for its own purpose and with an idea of injecting the cold war element into the "colonial struggle."

African-Asians see the U.N. in a somewhat different light from the Western powers. Whereas the West tends to emphasize the U.N. peace-keeping role, the African-Asians see the Organization as a source of economic and technical aid and as a means of mobilizing world opinion. Also, they rely on the U.N. perhaps more than other group, as a means of collective political (rather than military) security.

A disturbing feature of the recent Assembly was the tendency of the African-Asians to use their voting strength irresponsibly. The U.N. is not effective if a majority tries to over-ride minority opinion and rejects solutions reached through negotiation. This tendency could be a temporary development, produced partly through inexperience, partly out of a desire to exploit new-found strength and partly by the atmosphere of confusion in the Assembly at the first part of the session. To avoid becoming isolated in the U.N., Western powers must maintain close consultation with the aim of providing leadership and initiative on a broad front, and in the interests of moderation. Colonial questions are, of course, among the greatest internal problems of the Western group. While acknowledging this situation and adjusting to it, Western states at the same time should not give way to extremist pressure, particularly regarding the essential element of Article 2 (7), by which the U.N. is prohibited from intervening directly in the domestic affairs of member states. This article does not preclude discussion or expression of opinion, but should preclude condemnations, sanctions, precise target dates for governmental action, and so forth.

This aim of encouraging moderation and a practical approach, especially to colonial questions, can be achieved largely through consultation and negotiation, for although the West no longer possesses a dominant voting position in the Assembly, Western support is frequently desired by African-Asians for their initiatives. More over, the African-Asian group is divided by conflicting factions and has tended to be pushed along by the noisy extremists rather than the moderates; it is both in their own and the Western interest for Western states to encourage the moderates to assert their leadership.

At the U.N. Canada can no more afford to vote blindly in favour of African-Asian proposals affecting Canada's close allies, than it can to join the hard core of colonial powers. It is rather in Canada's interest to base policy upon the need for an orderly adjustment of relations between emerging states and their former colonial masters; the need to resist Soviet efforts to dominate the U.N., particularly at the expense of the Western powers; and the need to strengthen the U.N. prestige and influence.

...

156.

DEA/12858-40

*Note du chef de la Direction de l'Afrique et du Moyen-Orient
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, African and Middle Eastern Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], June 2, 1961

DEPARTMENTAL PANEL ON AFRICA

Since 1957 when Ghana became the first colonial territory in Africa, South of the Sahara, to attain full independence, Canada has found itself increasingly concerned with African questions; in the Commonwealth, in the UN, politically, economically and in terms of assistance. Not only the Canadian Government but also the Canadian public is confronted daily by headlined African news in all the mass media. The positions which African states adopt can often become determining factors in the success or failure of Western endeavours, particularly in the United Nations or in other international forums. In the balance of power between East and West, the attitude of the nations emerging from colonial rule, particularly those in Africa, may tip the scales.

2. Canada has been able to understand and to sympathize with the problems and aspirations of new and emerging nations, but Canada's close ties, based on common tradition and on common defence needs, with the old Commonwealth and other Western nations have caused us to consider the problems and aims of these European countries with at least equal understanding and generally, if not always, with equal sympathy. This has, however, sometimes led to misunderstanding and disillusionment from both sides, since both have had occasion to feel that, when it came to the count, we were not prepared to back them up. We believe that this unsatisfactory situation might be avoided if we were in a position to explain and possibly justify our policies to Africans and Asians, to the "Colonial" powers, and especially to the middle group of countries which have neither been colonized nor have administered colonial territories (and which could wield considerable influence if joint policies could be reached). For this to be effective we should hold discussions well in advance of the public display and treatment of these issues.

3. At the last session of the General Assembly – even earlier – the Canadian delegation and this Department found that our pattern of voting on African and other colonial items was often ragged, based on no firm policy, and marked by only too visible inconsistencies. The result has been that Canada has failed, in many cases, to make a positive contribution to the debates and decisions of the Assembly and, at the same time, it is highly questionable that Canada's standing and influence has been greatly enhanced with either old or new friends in the course of discussion of African items. Canadian decisions on individual items have generally been based on a rather precarious balance between the substantive and legal merits of the case and an assessment of the tactical line-up of votes. The result has often not been such as to be clearly explicable to the Assembly, to individual delegations, or to Parliament and the Canadian public. The source of our difficulties, I think, has been that we have faced the African items, one at a time, resolution by resolution, amendment by amendment, and have never tried to chart a general course which could provide guidance in specific circumstances. Similarly, we have found great difficulty in helping our NATO delegation to explain to the Council or its subordinate bodies the general lines of policy which Canada might recommend that Western countries ought to pursue in Africa.

4. This Division has recently given some thought to suggesting a range of ideas which might provide guide lines for Canadian policy towards African problems and has not come up with

anything of a general nature in which it has much confidence. I therefore suggest that, in this case as in so many others, we might begin by examining a number of immediate African problems with which our delegation to the next session of the Assembly will be faced, compare our recommendations on each of these, and attempt to assess what positive elements we think should govern Canadian reactions in these cases and, probably, in other cases. The sort of early problems we have in mind are moves to establish target dates for colonial independence, the sending of on-the-ground UN commissions to report and recommend on conditions in colonial territories, recommendations for boycotts or sanctions against administering countries, or particularly violently phrased condemnations of the practices of colonial powers. Longer-term objects of consideration might be Canadian acceptance or qualification of developing concepts such as "neo-colonialism" with its various interpretations, and the divergent trends towards definitions of the "African personality" and forms of African unity.

5. It is therefore suggested that a Departmental panel on Africa should be established immediately, with a long-term purpose of trying to formulate and coordinate Canadian policy recommendations concerning the newly independent and emerging states of Africa, particularly south of the Sahara, but with an immediate short-term task of preparing the Canadian position on the main subjects which are likely to be raised at the 16th General Assembly in so far as they concern Africa and colonialism.

6. The membership of the panel might be drawn from
- African and Middle Eastern Division
 - Economic Division
 - United Nations Division
 - Commonwealth Division
 - European Division
 - Defence Liaison (1) Division
 - Defence Liaison (2) Division.

If you agree, the Head of African and Middle Eastern Division would normally chair the meeting and that Division would also provide the Secretary.

L.A.D. STEPHENS

157.

DEA/12858-40

*Note du chef de la Direction de l'Afrique et du Moyen-Orient
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*
*Memorandum from Head, African and Middle Eastern Division,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], June 9, 1961

DEPARTMENTAL PANEL ON AFRICA

The first meeting of the Panel on Africa took place on June 6. A record of the proceedings is attached.

2. While I do not propose to burden you with accounts of the day-to-day proceedings of the Panel, I thought you might like to have a look at the record of the initial meeting, as an indication of the general plan of procedure.

3. I would, of course, welcome any comments you may wish to offer about the course which the Panel proposes to follow.

L.A.D. STEPHENS

[PIÈCE JOINTE/ENCLOSURE]

*Compte-rendu de la première réunion
du Groupe d'experts ministériels sur l'Afrique*

*Record of First Meeting
of Departmental Panel on Africa*

CONFIDENTIAL

[Ottawa], June 6, 1961

DEPARTMENTAL PANEL ON AFRICA

The panel met at 3:00 p.m. in the Large Conference Room, with Mr. Stephens of African and Middle Eastern Division in the chair. In attendance were Mr. Murray and Mr. Chistoff (United Nations Division), Miss Ireland (Commonwealth), Miss Osborne (African and Middle Eastern), Mr. Wilson (Economic), Mr. Brown (DL-2), Mr. Boyd and Mr. Cousineau (DL-1) and Mr. Maranda (European). Secretary: Mr. Elliott (African and Middle Eastern).

Objectives of the Panel

Mr. Stephens outlined the purposes behind the establishment of the panel. There had been an evident lack of clarity and consistency in Canadian policy on African and other "colonial" questions. This had been particularly marked in recent sessions of the United Nations General Assembly, where there had seemed to be no pre-determined and agreed criteria or guide lines which could be applied to all the various issues that called for voting decisions or expression of Canadian views. We had appeared rather to face African items one at a time, often making our decisions largely on the basis of immediate tactical considerations, rather than in conformance with clearly established lines of policy. We had encountered similar difficulty in expressing in NATO Canadian views on African questions. It seemed desirable that we should try to work out an agreed set of principles or guide lines, which could be applied consistently to a broad range of African issues. By establishing such a set of basic attitudes and sticking firmly to them, we might hope to exert a measure of useful influence in the United Nations, by organizing a respectable group of more or less like-minded medium-sized and smaller powers. We would, of course, hope that such a group might lead to majority support in the General Assembly for positions which we adopted; but the essential consideration would be that we should be prepared to stand up and be counted, if necessary, on the losing side but in respectable company, on issues we considered it right to oppose. The basic policy considerations which the panel would seek to formulate, *Mr. Stephens* added, could be equally valid and useful (with appropriate modifications of expression and emphasis) in guiding our NATO Delegation, and in bilateral exchanges of views with governments interested in knowing Canada's position.

Commenting on the decline of Canadian influence (and that of other middle powers) at recent sessions of the United Nations, *Mr. Murray* suggested that a variety of factors had contributed to this. The middle and smaller powers had risen to the occasion after Suez, in 1956, and had established a considerable measure of influence based partly upon the particular conditions and relationships which existed at that time. The effectiveness of consultation within this group, and its cohesiveness, had gradually declined, as conditions had altered and personalities in New York had changed. Another major factor had been the vast expansion of UN membership, bringing to the Assembly large numbers of representatives with little or no experience of international affairs. They had not received the leadership and guidance they had needed. It was most important that effective consultation with the newer delegations should take place well before the next session begins.

Mr. Murray noted that at the XVth session Canada had placed a great deal of emphasis on the disarmament question, and had often tended to look at other issues in terms of securing support for the Canadian position on disarmament. It would be better to have a set of basic principles and to stand by them, rather than to be constantly trying to accommodate opposing points of view. If a set of basic policy considerations could be evolved, these principles could be applied to all developments in the United Nations and similar forums – in determining the Canadian stand on resolutions, formulating statements, or whenever decisions were needed quickly.

It was suggested by *Mr. Wilson* that the basic principles underlying Canadian foreign policy in fact were already laid down and recognized, several of them (such as the right of self-determination, respect for individual liberty, etc.) in the UN charter. The task of the panel apparently would be to enunciate these long-standing principles in a form which would be useful in meeting day to day problems.

Miss Osborne observed that the facts of international life had changed sharply in recent years, and some of the long-established principles might well need not only re-definition but re-casting.

Mr. Brown and *Mr. Maranda* indicated that they agreed with the proposed lines of the panel's efforts.

Mr. Boyd observed that it might be necessary to consider whether there was any conflict between Canada's participation in NATO and our unqualified support for the United Nations, both of which have been regarded as fundamental to our foreign policy. Referring to this point later in the meeting, *Mr. Murray* suggested that there was no basic conflict between membership in NATO and support of UN efforts. Both organizations were designed, by different approaches, to prevent war. The trouble was that in recent UN sessions the attitude of our Delegation had not been consistent with our participation in NATO. We had tried to pose before Africans and Asians as an uncommitted nation; but the fact was that obviously we were not uncommitted, nor were we expected by African and Asian countries to behave as such. We should not try to be two different things at once. Our objective should be to have Canada recognized as a forward-looking member of NATO, to which Africans might look as a country likely to interpret some of their viewpoints to other NATO governments.

Miss Ireland remarked that a fundamental element of the Canadian approach to African problems was our desire that the African nations should be enabled to achieve the same political, economic and social benefits as we enjoy. Because of the rapid pace of current developments, the necessary progress had to be telescoped into a very short period. *Miss Osborne* wondered whether we could necessarily accept without qualification the pace of change demanded by the Africans, and also how far we were prepared to back up our support in principle for African aspirations, with concrete assistance in achieving them.

Lines of Procedure for the Panel

Mr. Brown observed that if approval for whatever basic principles the panel might arrive at were to be sought at Cabinet level, political realities would have to be borne in mind. In this connection, *Mr. Wilson* pointed out that there seemed to be little prospect in the next few years for any increase in funds available for Canadian assistance to African states. It was agreed that *Mr. Wilson* should get in touch with the External Aid Office about this matter.

Concerning the outline of topics suggested for consideration by the panel (a copy of which is attached), it was agreed that, initially, papers should be prepared on the subjects listed in Section A. These would involve a brief examination of each item as a "colonial" issue, indicating the problems which each involved for Canadian policy, and what lines Canadian policy had in fact followed. By examining these studies, and perhaps identifying features

common to the various cases, it was hoped that the panel might be assisted in drawing deductions relevant to the formulation of the policy guide lines which it seeks to define.

Preparation of papers on the topics in Section A was to be the responsibility of African and Middle Eastern and United Nations Divisions. It was also agreed that Defence Liaison (1) Division would undertake preparation of a paper on Section B (4) of the outline of topics for consideration, while European and Commonwealth Division would deal with their respective areas of interest under Section C.

Regarding the frequency of meetings of the panel, it was suggested that a fairly intensive programme should be followed in the early stages, with a view to producing some conclusions as soon as possible. It was also felt that the panel might meet during the forthcoming UN General Assembly session, perhaps weekly, to keep in touch with the pattern of developments in the Assembly.

The next meeting of the panel was scheduled for Wednesday afternoon, June 14, when it was proposed that the papers to be prepared under Section A of the outline of topics for consideration should be examined.

SUGGESTED TOPICS FOR CONSIDERATION BY
DEPARTMENTAL PANEL ON AFRICA

A. Major Foreseeable "African" Issues for XVIth UNGA Session:

- (1) Angola
- (2) Southwest Africa
- (3) South Africa – Apartheid
- (4) Non-self-governing territories:
 - target dates for independence
 - UN missions to non-self-governing territories
 - obligation of administering powers to provide information
- (5) Congo

B. African Attitudes:

- (1) Extent of cohesion of African nations and of distinctively African (rather than Afro-Asian) policy formulation; divergence between Casablanca group and more moderate states; cleavage between African and Asian viewpoints; relationship of Africa with Arab world;
- (2) Inexperience of African representatives in international affairs; possibilities for emergence and development of a realistic and practical, rather than largely emotional, African approach to colonial questions;
- (3) Prospects for African support of Western position on broader international issues, such as disarmament, UN representation for Communist China, Law of the Sea, etc.;
- (4) Attitude of African states toward Western defense structure, and particularly NATO;
- (5) African positions on UN organizational questions: Structure of Secretariat, expansion of membership of Councils and Committees, allocation of representation on UN bodies; effect of developing African views on established allocation principles (Commonwealth seats, etc.).

C. Positions on Colonial Questions of:

- (1) Various administering powers
- (2) Soviet bloc
- (3) Leading Asian states
- (4) "Middle Rank" Western powers including Scandinavian and "non-colonial" Europeans, and Latin-American states.

D. *Objectives of Canadian Policy on African Questions:*

- in context of East-West relations, having in mind extent of Soviet interest and influence in Africa;
- in the light of our relationships with Western Europe and with the United States, both in NATO and bi-laterally;
- against the background of declared Canadian insistence upon respect for human rights and freedom;
- in view of traditional Canadian opposition to racial discrimination in any form;
- in recognition of Canada's fundamental concern for the successful functioning of the United Nations;
- in relation to Commonwealth considerations;
- in respect of bi-lateral Canadian relations with individual African states.

E. *Guiding Principles of Canadian Policy On:*

- essential "colonial" issues in Africa, especially relations between administering powers and non-self-governing territories,
- relationships between African states and the United Nations; UN and other multilateral assistance to Africa,
- bi-lateral Western relations with African countries; association of African states with European Economic Community,
- Canadian assistance to and relations with African states.

F. *Tactical Considerations:*

- (1) Role of Canadian Delegation in New York
- (2) Diplomatic endeavours:
 - with African representatives
 - with administering powers
 - with "non-colonial" powers

158.

DEA/12858-40

*Note de la Direction des Nations Unies
Memorandum by United Nations Division*

CONFIDENTIAL

[Ottawa], June 15, 1961

OBSERVATIONS ON AFRICAN PANEL PAPERS

The papers prepared under Section A of the list of topics for consideration by the African Panel suggest the following:

1. On "colonial" questions, Canada has tried first of all to look at the issues from the point of view of the effects which proposed action would have on the peoples concerned. This is in keeping with our own concern with upholding human rights and our acceptance of the principles embodied in the Charter.
2. Secondly, we seem to have looked at the legal implications of the action proposed. Where there were legal considerations involving Charter provisions, (e.g. South West Africa, apartheid, target dates for independence and transmission of information on non-self-governing territories), we have adopted a restrictive interpretation of the Articles concerned. This approach usually placed us on the side of the administering authorities, or at least not on the side of the Asians and Africans.

3. By the resumed fifteenth session, legal considerations began to carry less weight in our policy decisions. The most notable evidence of this was our acceptance of the Angola resolution creating a sub-committee of inquiry and our support of the South West Africa resolution which renewed the invitation to the Committee on South West Africa to make on-the-spot investigations.

4. Where no clear legal considerations were involved, and policy decisions have had to be based on political factors, we have had difficulty in reconciling our close ties with the "colonial" powers and our desire not to offend African-Asian aspirations. In recent months, political considerations have tended to have us accept the lead of the African-Asian group on colonial questions even though we have had some reservations about specific courses of action proposed.

O.A. C[HISTOFF]

159.

DEA/12858-40

*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 16, 1961

CANADIAN APPROACH TO AFRICAN PROBLEMS

The Fifteenth Session of the United Nations General Assembly demonstrated with particular force the urgency and importance of African issues in terms of international stability, and the impact which the large number of newly emerged African states are able to make in the determination of world problems. Developments at the last Assembly session, as well as in other international bodies and in bilateral relations with African states, also have underlined the difficulties faced by middle powers like Canada, who have limited direct concern with African affairs, in formulating realistic and constructive policies on issues affecting Africa. It has not been easy to reconcile our concern to find some accommodation with the vigorous and sometimes extravagant aspirations of African and Asian states in respect of "colonial" questions, with our long-standing ties of friendship and co-operation with most of the current or former administering powers. Moreover, to the extent that Canada has attempted to go along with Afro-Asian initiatives on such matters, the record suggests that our efforts in this direction have not necessarily resulted in a more restrained or realistic attitude on the part of the sponsors. Still another difficulty in trying to accommodate "anti-colonial" views which we find objectionable or unconstructive is that, with increasing frequency, there are sharp divisions among the Africans themselves on some issues in this field.

2. With another General Assembly session approaching, and in view of the continuing expansion of Canadian contact with Africa and African problems in various fields, it seems desirable that we should try to formulate in broad terms a comprehensive approach to the major African issues. An agreed statement of basic considerations which should determine Canada's position on a variety of specific African questions as they arise would be very useful, particularly to the Canadian Delegation to the General Assembly, but also to our representatives at other international meetings, and to Canadian posts abroad where African issues are regularly discussed. Advance consultation with representatives of friendly governments would be facilitated, and the possibility of exercising a useful influence with the parties to a particular issue would be increased, if our representatives were able confidently to

explain the general lines of Canada's approach, before the public airing of the question. Adoption of and adherence to a consistent approach to these issues might also encourage similarly-minded governments to join Canada in seeking to exercise a constructive and moderating influence.

3. In taking up a moderate and, in our view, constructive position on highly controversial colonial issues, Canada might find itself voting with a minority on some major questions, particularly in view of the growing strength of Afro-Asian voting power in the United Nations and other international bodies. However, experience has shown that the more extreme Afro-Asian initiatives are unlikely to be modified in any event by taking a more flexible line. Canada's standing with African states generally seems unlikely to be impaired, and with some of the more moderate among them it would undoubtedly benefit, if we were to show a readiness firmly to maintain reasonable and realistic positions on controversial questions, voting if necessary in the minority but in respectable company of like-minded moderate countries.

4. A panel made up of representatives from the various interested divisions of the Department has examined the principal current African issues, in terms of Canada's interest in and concern with developments in Africa. In the light of this study, the panel has drawn up a statement of considerations which might be adopted as the basis of the cohesive Canadian approach to African problems which is proposed above. These factors are set forth in the concluding paragraphs (Nos. 37-38) of the attached report by the panel, which is prefaced by a summary. Also attached is a second paper in which the general terms of the approach envisaged by the panel are applied to the formulation of proposed guidance on major African items for the Canadian Delegation to the 16th session of the General Assembly.

5. If you approve of the terms of the approach to African problems outlined in the attached papers, they will be made the basis of the relevant instructions to the Delegation, and will serve as general guidance on these issues during the session, both in New York and at the other posts abroad which are principally concerned. You may also wish to consider whether the basic elements of the proposed Canadian approach to African issues, particularly in relation to the forthcoming General Assembly session, should be made the subject of a memorandum for Cabinet.

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Rapport sommaire du Groupe d'experts sur l'Afrique

Summary Report of Panel on Africa

CONFIDENTIAL

[Ottawa, n.d.]

REPORT OF PANEL ON AFRICA: SUMMARY

The achievement of independence by more than twenty African states over the past five years has dramatically increased the impact of African issues and development on international affairs. Canada, with few direct interests in Africa, inevitably has been affected by the growing awareness of the continent and its problems; in particular, we are regularly confronted with African questions through our participation in the United Nations and its specialized agencies. A realistic and consistent approach to these problems is important, both for our relations with African states themselves and in terms of Canada's position in the world community.

Among the major factors which contribute to Canadian interest in Africa are concern that the continent should not fall under Communist domination; recognition of Africa's growing

political and economic importance in international life; our desire to promote Canadian commercial relations with Africa; concern that African peoples should enjoy fundamental human rights in conditions of stability and progress; Commonwealth ties with some African countries; and Canadian missionary activity.

Features common to the national outlook of most newly emergent African states are anti-colonialism, a vigorous nationalism often reflected in sensitivity about "neo-colonialism," determination not to become involved in the cold war, and concern to secure economic and technical assistance without conditions. In terms of East-West rivalry for influence in Africa, the Soviet Union enjoys the negative advantage of having no record of colonialism there – and Africans have shown little concern about Soviet imperialism in Europe. Moreover, even where there may be a tendency to examine Soviet methods critically, the attractiveness of Soviet offers of assistance may prove irresistible to new African states in difficult economic circumstances. Nevertheless there is some evidence, at least among the more moderate African nations, of conscious resentment towards obvious Soviet attempts to exploit African nationalism for cold war purposes.

It is very difficult, however, for any African state to adopt an openly pro-Western position on any international issue; and to do so on a colonial question is to invite denunciation as an "imperialist stooge" by rival African or Asian leaders. It would therefore be unrealistic for the West to expect too much of even the more moderately inclined African states. Probably all we can look for in the short term is genuine non-alignment. Later, as colonial questions are progressively resolved and anti-colonial bitterness recedes, increasingly friendly relations between most African states and the West may become feasible, while those African countries whose present policies seem to be oriented toward the Soviet bloc may develop a more independent outlook.

We cannot expect explicit African support for Western defensive arrangements against communist expansion, such as NATO, particularly since the alliance includes most of the colonial powers and this gives rise to African suspicions of NATO support for surviving colonial administrations in Africa. Inevitably, the fact of our membership in NATO has to some extent affected the attitude of Africans toward Canada.⁷⁰ We should seek African understanding of the importance which we attach to the alliance and our participation in it. It should also be emphasized that Canada's membership in NATO in no way detracts from our wholehearted support of the United Nations, or from our sympathy with the aspirations of African states to pursue independent policies of their own.

The recent substantial increase in the number of African states in the United Nations has created a powerful new voting bloc. On issues relating to colonialism, which evoke strong emotional reactions among Africans, there has been a tendency to use Afro-Asian voting strength to force through extreme resolutions, often with scant regard for the intrinsic political requirements of a given situation. Some African members, however, seem to be aware of the limitations of relying solely upon majority votes to advance their policies;⁷¹ and there are indications that understanding of this may be spreading.

Prior to the 15th Session of the General Assembly, the Canadian voting pattern on African questions was based to a considerable extent on our interpretation of the legal implications of the measures proposed. For example, on controversial issues such as apartheid and transmission of information on non-self-governing territories, we were inclined to accept as the

⁷⁰ Note marginale :/Marginal note:
some [Africans] [Auteur inconnu/Author unknown]

⁷¹ Note marginale :/Marginal note:
On issues other than colonialism; on colonialism more extreme. [Auteur inconnu/Author unknown]

overriding consideration the provision of Article 2(7) of the UN Charter, that the United Nations may not intervene in matters which are essentially within the domestic jurisdiction of any state. There has been a general retreat from this position by moderate United Nations members, including Canada, partly because UN intervention in colonial situations has sometimes seemed desirable in support of human rights, but largely because mounting anti-colonial voting strength has rendered the position untenable.

At the 15th Session, tactical considerations sometimes tended to incline Canada to be guided by African opinion on colonial questions. Leaving aside the dissatisfaction with which this attitude was viewed by some of our Western friends, there is reason to question whether this approach was successful in gaining for Canada increased understanding from the Africans and Asians. It seems likely that a more rewarding approach might lie in setting forth clearly to African representatives, in advance of the disposition of colonial items, both our interest in the welfare and progress of colonial people and our determination not to be party to extreme measures which we consider to be unconstructive.

In respect of economic and technical assistance – a major factor affecting the approach of African states to their international relations – Canada's activities must be viewed in terms of a collective Western effort. While Soviet contributions to the development of Africa are in themselves unexceptionable, African unawareness of or indifference to Soviet motives poses a danger that Soviet bloc aid may be instrumental in establishing a dominant communist political influence in some of the states concerned. Smaller Western countries like Canada probably can confer maximum benefits and make the most impact by applying most of the available aid funds to projects which can be completely implemented under a distinctively Canadian label. This should not exclude special circumstances, such as the Congo situation, where for political reasons only multi-lateral aid is appropriate.

In shaping the development of Canadian relations with African states, Commonwealth affiliation evidently is a significant consideration. While it is probably desirable to continue to place special emphasis on links with Commonwealth countries in Africa, this should not be carried to the point of excluding assistance to, or restricting closer relations with, other African states.

The following emerge as the broad general considerations which it would seem desirable to take into account in the formulation and implementation of Canadian policy on African issues:

(a) As a matter of procedure, the fundamental terms of Canada's approach to major African issues should be clearly defined and made known, both to African states and to the many other friendly Governments concerned with African developments. This seems particularly relevant in the United Nations context, where making our general position known in advance and adhering firmly to it would seem preferable to attempting, for tactical reasons, to accommodate objectionable viewpoints at the cost of consistency on matters of principle.

(b) Canadian recognition that there can be no acceptable alternative to self-determination as the ultimate and declared objective of surviving colonial relationships should be made equally clear to both African states and the administering powers.

(c) At the same time, we should emphasize Canada's concern that the means of bringing about orderly progress to independence, and the timing of the transition, should be realistically related to conditions in the particular territory concerned; the fixing of firm target dates far in advance is not acceptable.

(d) Canada's opposition to racial discrimination, whether practiced by whites against Africans or by African governments against minority expatriate communities, should be stressed, at appropriate opportunities and in constructive terms.

(e) Especially in view of the prospect of more serious confrontations between Africans and the Governments of Portugal and South Africa, the Canadian view that sanctions are not a

normally acceptable method of bringing international pressure to bear on governments practising objectionable policies should be clearly set forth.

(f) It should be made abundantly clear that Canada has no desire to intervene in African affairs.⁷²

(g) We should not be apologetic about Canada's commitment to the Western alliance, but rather should volunteer explanation to Africans about our membership in NATO.

(h) The emphasis which Canada places on the importance of preserving and enhancing the authority and influence of the United Nations, as the essential force for international peace and security, should be stressed in our relations with African states.

(i) Such aid as Canada is able to allocate to Africa should be so distributed as to confer the maximum benefit to Africans while achieving the broadest impact.

SUBDIVISION III/SUB-SECTION III

CONVERSATION ENTRE LE SECRÉTAIRE D'ÉTAT AUX AFFAIRES EXTÉRIEURES
ET LE SECRÉTAIRE D'ÉTAT DES ÉTATS-UNIS,
NEW YORK, LE 19 SEPTEMBRE 1961

CONVERSATION BETWEEN SECRETARY OF STATE FOR EXTERNAL AFFAIRS
AND SECRETARY OF STATE OF UNITED STATES,
NEW YORK, SEPTEMBER 19, 1961

160.

DEA/50341-40

*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 1918

New York, September 20, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: Washington, London, Geneva (OpImmediate).

I called on Dean Rusk yesterday afternoon at 4 p.m. and had a frank and extensive discussion with him on current problems facing United Nations. I was accompanied by Senator Brooks, Messrs. Ritchie and Cadieux. Mr. Stevenson attended part of the conversation on the appointment of a United Nations Secretary-General. The conversation lasted more than an hour and was very cordial. Mr. Rusk was in good form and in an understanding and reasonable mood as regards the various issues which came up for discussion.

Appointment of an Interim Secretary-General

2. USA feel that in view of the situation in Congo with UN troops requiring control and direction, it is important that a successor to Mr. Hammarskjöld be appointed as soon as possible. As USSR have indicated that they will not repeat not agree to a permanent or an interim arrangement but will insist on the acceptance of "troika" USA hope that on basis of Article 101 UNGA may be persuaded to pass a resolution calling on a suitably qualified person to administer Secretariat pending the appointment of another Secretary-General. In avoiding

⁷² Note marginale :/Marginal note:

But (see (h)) within world community we are prepared in interests of peace, security and prosperity of man to assist (see (i)). [Auteur inconnu/Author unknown]

reference to the nomination of a Secretary-General now, they hope to get around the constitutional difficulty involved in action based on Article 97 of Charter. They are not repeat not clear whether a two-thirds majority will be required.

3. In order to emphasize the interim nature of the arrangement and thus facilitate approval of Assembly, USA delegation have approached Slim and Boland but they also have in mind, as a possibility, U Thant of Burma.

4. According to Mr. Stevenson, Slim is not repeat not inclined to accept the appointment. He feels that there might be incompatibility between his responsibilities as Acting Secretary-General and as President of Assembly. In the former capacity he might have to take action which would be embarrassing to him as President. Furthermore, he expects to become foreign minister after the current session and he is not repeat not confident that his government would agree to his taking on this task. Besides, he is keen on the presidency and he realizes that the interim job he is asked to undertake may take a long time. In his view, it might also be easier to get Assembly to go along with USA scheme if the matter had first been dealt with by Security Council and USSR had used veto to block an appointment.

5. Apparently, Boland, United Kingdom, French, Nigerians and half a dozen other delegations which have been consulted do not repeat not feel that a Security Council discussion is necessary or desirable. Boland himself it is thought might be a desirable candidate: it seems likely that a good number of African and Asian countries might be disposed to vote for him. On the other hand, while U Thant might be suitable, it was recognized that there might be danger in promoting the candidature of persons who have not repeat not been elected president of Assembly.

Situation in Congo

6. Mr. Rusk reported that Tshombe has grounded jet plane which has paralysed UN air operations by day. USA had been considering ways of providing fighter protection and even hoping that, if this became necessary, UN might have obtained fighter planes from Greece or Sweden. This was the immediate problem. As to the general situation, USA were concerned about the extent of recent fighting. They had not repeat not been consulted on the point whether UN should ferret out mercenaries and in their view UN had not repeat not made adequate preparations. UN forces were not repeat not equipped to carry out sustained operations and they might well face disaster if Katangans are determined.

Chinese Representation

7. Mr. Rusk confirmed that there is no repeat no intention to revive the moratorium. Speaking as one of those who had invented the scheme, he expressed surprise that it had lasted ten years. He added that both Slim and Boland are prepared to rule out on procedural grounds any attempt on the part of USSR to secure a decision on credentials. The plan is to have the issue treated as an important one and a possible line of argument with Afro-Asians may be that if Peking occupies Chinese seat in Security Council, Soviet bloc are unlikely to agree to any concessions to Afro-Asians as to their representation in the main organs of UN. USA assessment is that they will get a majority for having the item declared an important one requiring a decision by a two-thirds vote even if French African states vote against: a more comfortable majority will be assured if they abstain. USA hope that a study group will consider all aspects of Charter revision and do not repeat not have in mind confining work of such group to Chinese issue. Mr. Rusk agreed that it is not repeat not absolutely clear that a two-thirds vote is required to set up a committee: there were precedents on both sides of the argument.

Disarmament

8. Mr. Rusk stressed that one sentence in USA statement of principles⁷³ to which USSR raise objections could be fairly important. The substantive point involved however runs all through USA paper. Sentence was added by USA delegation in New York because perhaps of a little excess in caution. USA are anxious to discover what Soviet objection involves and they wish to discuss the matter with USSR.

9. When I urged Mr. Rusk to be flexible in view of the great impact which an agreement on disarmament would have on the general world situation and on the prospects of a negotiation on Berlin, he agreed but made a number of incidental points. He gave me the impression of being keen about reaching an agreement if this could possibly be done.

(a) The matter at issue is important. It is a question whether inspection is to cover not repeat not only armaments already eliminated but also what is left. USA are working out other forms of language to cover the point. As another possibility, USA may record their reservation in a letter which could be made public.

(b) At a time when an effort is being made to stiffen West in relation to negotiations over Berlin, the task might become more difficult if there were an agreement on disarmament.

(c) Headway on disarmament will be easier if some of the other issues can be disposed of. USSR could easily disarm USA anytime they wanted if they pursued reasonable policies. If they had chosen to cooperate in 1946, USA defence budget would now be 5 instead of 45 billion a year.

(d) Too much eagerness might be interpreted in Moscow as a sign of weakness. There could easily be a dangerous situation if Soviet leaders cannot repeat not be persuaded that we mean business over Berlin and it is particularly hard for democracies which speak with a variety of voices and emphases to get across to dictators that on certain issues they are serious. Dictators are then tempted to go too far and the situation gets out of control.

Berlin

10. Mr. Rusk expressed appreciation for the comments received from us on Berlin.⁷⁴ He went on to say that they had deliberately avoided getting into details of the negotiating position before German elections and informal contacts had been established with USSR. While the general lines of the substantive USA position have already been reported to NATO, it will now be possible to adjust and simplify it. As I mentioned that we had been concerned about the lack of details as to the Western substantive position, Mr. Rusk said that such position was already well known and agreed on the vital issues which provided the immediate framework for negotiations.

11. While stressing that German elections had been an important inhibiting factor in discussing possible negotiating positions, Mr. Rusk thought that as a result of these elections Germans may become less sensitive to theoretical aspects of the problem of relations with the East Germans. They may now be ready to accept a number of mixed East-West German commissions to deal with practical problems such as trade and to accept the implications of a

⁷³ Voir Nations Unies, *Documents officiels de l'Assemblée générale*, seizième session, 1013^{ième} séance, le 25 septembre 1961, pp. 60 à 64. Voir aussi « Declaration on Disarmament : the United States programme for general and complete disarmament in a peaceful world. » Nations Unies, *Documents officiels de l'Assemblée générale*, seizième session, Annexes, 1961-1962, document A/4891, pp. 21 à 23.

See United Nations, *Official Records of the General Assembly*, Sixteenth Session, 1013th Meeting, September 25, 1961, pp. 55-59. See also "Declaration on Disarmament: the United States programme for general and complete disarmament in a peaceful world." United Nations, *Official Record of the General Assembly*, Sixteenth Session, Annexes, 1961-1962, document A/4891, pp. 22-25.

⁷⁴ Voir/See document 269.

de facto situation where 95 percent of the problems relating to access are already being handled by East and West Germans themselves. When I asked him whether they might agree to a nuclear free zone, Mr. Rusk saw a possibility that NATO and Warsaw pact countries might come to some agreement involving regional limitations which might be tolerable to Germans. They were very sensitive on this issue and might object to any scheme involving only Germany. The problem was that the forces of the two blocs were in contact in Germany and any attempts to limit or reduce forces almost accidentally and incidentally was likely to appear to involve discrimination against Germans.

12. Throughout this part of the conversation, I argued very strongly that with UNGA in session, with the widespread concern resulting from the resumption of tests, with death of Secretary-General, neutral opinion would expect a considerable effort on our part to find an accommodation. There was also the possibility that USSR itself might be seeking ways of reducing tension. It was not repeat not yet possible to assume that they would be prepared to disregard the aspirations of world public opinion.

Laos

13. On Laos, Mr. Rusk reported that recently USA had developed their contacts with USSR and the impression was that USSR "had been trying to say encouraging things to us." They had been using all the right words and had been much less difficult and belligerent than in public at Geneva. It was hard however to translate this into practical arrangements on the ground.

14. USA had not repeat not been encouraged by Mr. Harriman's talks with Souvanna Phouma: while USA were not repeat not trying to be sticky or difficult on the composition of a new government and were not repeat not attempting to set up a pro-western government under the guise of neutrality they could not repeat not agree to a pro-communist régime under this label. USA saw however, as a result of their discussions with USSR, a possibility of having all foreign military personnel removed out of Laos. The problem was how to achieve this. While USA personnel are readily identified, it was not repeat not so easy to do this as regards the Vietminh. USSR were unlikely to agree to ICC getting permanent and detailed terms of reference to undertake this job but they might agree to a short term operation. USA were wondering whether this could not repeat not be done by ICC if it were to be assisted by Cambodian and Burmese personnel. Burmese who had been approached had indicated a willingness to help. I indicated that, in principle, I saw no repeat no objections to such a scheme. We might agree to a temporary expansion of the commission if this could facilitate a solution.

15. When I mentioned the possibility that operations in Laos might be resumed after monsoon season, Mr. Rusk said that the principal change they had noticed during the last month was that substantial reinforcements had been sent through Southeast part of the country in an apparent attempt to strengthen the rebels in South Vietnam. Questioned whether Chinese or Russians controlled the Vietminh he said that Soviet wing were still in control in Hanoi and that if adequate machinery could be set up, USSR might handle Vietminh.

Nuclear Tests

16. I asked Mr. Rusk why it had been necessary to announce resumption of tests before end of time given to Mr. Khrushchev to reply to Kennedy-Macmillan offer. Mr. Rusk said that after third Soviet test President felt that both nationally and internationally he could not repeat not take responsibility for delaying action any further. One essential aspect of the problem was of course that of controlling congressional reaction. He went on to say that the problem was a mixed one, involving partly public opinion, partly power relationships. USSR decision had not repeat not elicited the expected reaction in Belgrade. I made point with which Mr. Rusk agreed

that many of neutrals (Nehru and Nasser in particular) had taken a positive attitude and that their influence might help in inducing USSR to take a more reasonable line.

Law of Sea

17. I reminded Mr. Rusk that we were still expecting an answer to our proposal that USA might join us and UK in second phase of a confidential survey intended to establish the degree of support which might exist for a multilateral convention based on Geneva formula. Mr. Rusk's brief to which he referred on this point merely said that State Department are still trying to make a more definite assessment of the various factors involved. I explained that there was pressure at home for early action in this field and Mr. Rusk undertook to look into the matter.

[H.C.] GREEN

SUBDIVISION IV/SUB-SECTION IV

ÉLECTIONS AU CONSEIL DE SÉCURITÉ
SECURITY COUNCIL ELECTIONS

161.

DEA/5475-CX-1-40

*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 6, 1961

COMMONWEALTH SEAT ON THE SECURITY COUNCIL

Attached is an Aide Mémoire left with us by the United Kingdom Deputy High Commissioner. † The United Kingdom believes that South Africa has no hope of election to the Commonwealth seat on the Security Council in 1961 because not even a majority of the Commonwealth would support the Union. They also believe that the South Africans should be told that they can no longer count on support from the older countries of the Commonwealth if they decide to contest the seat formally. The United Kingdom think it advisable to dispose of this question before the Commonwealth Prime Ministers' meeting lest this controversial issue be brought up at the meeting and complicate the question of South African membership of the Commonwealth. If Canada, Australia and New Zealand agreed, the United Kingdom would speak to the South Africans along these lines on behalf of the old Commonwealth and urge the South Africans not to bring up the matter at the Prime Ministers' meeting. The last point made by the United Kingdom is that, because Ghana is at present the only Commonwealth candidate openly in the running for the Security Council in 1961, we should accept it as the agreed Commonwealth candidate.

2. To deal with the last point first, it would seem advisable not to pledge Canada's support for Ghana at this early stage. We have no way of knowing whether any other Commonwealth candidate, such as Nigeria from Africa or Malaya from Asia, is likely to appear. There could develop a competition between Asian and African candidates for the Commonwealth seats. If there were to be any choice, it would be desirable to give our support to the best candidate and the one most likely to be elected by the Assembly. Ghana, no doubt, considers itself a natural successor to Liberia as a representative of Africa, south of the Sahara, but it is far from clear that all the African states themselves share this view, especially in view of Ghana's equivocal

attitude on the Congo situation and on the United Nations intervention there. Moreover, the composition of the Security Council as regards non-permanent seats in 1962 presents a confused picture, in relation to the representation of Asia as well as of Africa, and elections in the Council may continue to be further complicated as long as the question of enlargement is not resolved. In our view, these are sufficient reasons for withholding Canadian support for Ghana at this time.

3. As regards the South African candidature, you will recall that when the Union asked us to support its claim to the seat in 1959 we considered it to be entitled to the seat on rotational grounds. When it became apparent that the Union was planning to withdraw in favour of Ceylon in 1959 and to contest the 1961 election instead, we told South Africa in an aide mémoire of June 26, 1959: "While it would be manifestly impossible to anticipate all contingencies which might arise in two years, Canada would, subject to unforeseen developments, expect to be in a position itself to vote for South Africa and to give the Union its support in seeking the concurrence of the other Commonwealth members, should the Union be a candidate for the Security Council in 1961." The other old Commonwealth members took somewhat different positions. The United Kingdom undertook to try to secure the Union's acceptance as agreed Commonwealth candidate. New Zealand said only that it would be prepared to vote for South Africa if it were the agreed candidate. Because of our distinctive approach to this subject, as well as on general grounds, we opposed the United Kingdom suggestion that, after consultation, it would act as the sole spokesman for the old Commonwealth. We recommend, therefore, that the British be told that we still prefer to deal directly with the South Africans.

4. As to the substantive question, the South African candidature for the Commonwealth seat is obviously closely related to the larger question of whether South Africa is to remain a member of the Commonwealth, not only because its candidature assumes continuing membership of the Commonwealth, but also because both issues hinge on South Africa's racial policies.

5. I would suggest, then, that we should in any event not agree that a decision be made on Ghana's candidature before the Prime Ministers' Conference. As to the action to be taken in respect of South Africa's candidature, one of the following courses might be chosen:

(a) To tell the United Kingdom that, in our view, it would be preferable to leave the Security Council matter in abeyance until after the Prime Ministers' Meeting had decided the related – and in one important respect, prior – question of South Africa's continued membership in the Commonwealth.

(b) To tell the United Kingdom that we agree that it would be useful to clear the air before the Conference but that, since our positions on the South African candidacy have been different, the Department would explain orally to the South Africans as a routine matter that, as they themselves were no doubt aware, circumstances have altered fundamentally since we made our conditional promise of support in 1959. Not only has there been an unfavourable international reaction to events in the Union, but there has also been a sizeable influx of new African members to the United Nations who would be unlikely to support South Africa. As a result there would seem to be no point in our canvassing support for South Africa at this time because there was no chance that it could be elected in 1961.

(c) To suggest that the Security Council question be discussed at the Conference itself (the proposed agenda of which already provides for discussion of the United Nations), and before the item on Commonwealth membership. To explain why South Africa could not be elected would be, in effect, to prove that South Africa's racial policies had an international aspect. It is possible that Dr. Verwoerd might regard this as the type of humiliating condition that he has said he could not accept and decide on withdrawal from the Commonwealth. Should he do so,

it would be, from our point of view, on a better issue than the wisdom of racial policies within the Union itself, which the South African Government vigorously argues are purely domestic, or on a difference over principles guiding the Commonwealth which are, in any case, not agreed.

6. I should be glad to know which of these courses you prefer, so that an answer can be given to the United Kingdom Government, which has asked for an early reply.

H.C. G[REEN]

162.

DEA/5475-CX-1-40

Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
Memorandum by Special Assistant to Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], February 10, 1961

COMMONWEALTH SEAT ON THE SECURITY COUNCIL

On February 9 the Prime Minister examined the Minister's memorandum on this subject and gave the following instructions:

(a) We should not pledge Canada's support for Ghana.

(b) The United Kingdom authorities should be told that the Canadian Government will deal directly with South Africa.

The Prime Minister also said that we should tell the South Africans and the British that in our view the South Africans should withdraw their candidacy since there is no hope of its being successful.

With regard to course (c) in paragraph 5 of the memorandum, the Prime Minister said that he regarded it as a useful means of demonstrating that South Africa's racial policies do have an international aspects, but that for the time being no indication need be given to other governments that consideration is being given to this course. A decision whether or not to act on this suggestion could not be taken until the Meeting.

H.B. R[OBINSON]

163.

DEA/5475-CX-1-40

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 K-33

Ottawa, February 24, 1961

SECRET. PRIORITY.

Reference: Wellington Tel. No. 22 of Jan. 25/61.†

Repeat for Information: Canberra, Wellington (Priority), Cape Town.

SOUTH AFRICAN CANDIDATURE FOR SECURITY COUNCIL

You are authorized to inform the government to which you are accredited that a message along the following lines was conveyed to the South African High Commissioner today. He was reminded of the Canadian aide mémoire in 1959 when South Africa withdrew its claim to the Commonwealth seat on the Security Council for that year but asked for support in 1961.

We had replied to the effect that subject to unforeseen developments we would expect to support South Africa. He was told today that there had been unexpected developments during the past year which bore on the whole ferment throughout Africa and in addition there had been a large number of new African members of the U.N. Under existing circumstances, we see no possibility of South Africa being elected to the Security Council and for that reason it would be idle to support their candidature for the Commonwealth seat. We added our regrets that this situation had developed.

2. We had previously conveyed the same views to Earncliffe in response to their earlier memorandum on the subject.

164.

DEA/5475-CX-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*

CONFIDENTIAL

[Ottawa], August 30, 1961

ELECTIONS TO THE SECURITY COUNCIL

In addition to Ghana, which Canada is already committed to support as the Commonwealth candidate to the seat now held by Ceylon, there are four other candidates for the two Security Council seats to be vacated by Turkey and Ecuador. Romania and the Philippines are competing for the Turkish seat, which is nominally the East European seat. Cuba and Venezuela are candidates for the seat held by Ecuador, one of the two allocated to Latin America.

Latin American Seat

2. Cuba's candidature is not endorsed by the Latin American group, many of the members of which are now expected to support Venezuela. In line with Canada's usual policy of accepting the choice of the region concerned as envisaged in the gentleman's agreement of 1945, the Canadian Delegation to the sixteenth session will, if you approve, be authorized to support Venezuela if it has the support of the Latin American group.⁷⁵

East European Seat

3. As you know, Turkey is completing the term of Poland on the Security Council in accordance with the agreement reached at the fourteenth session to resolve a deadlock in the election for the East European seat. The Soviet bloc candidate to replace Turkey is Romania. The Philippines is also a candidate to that seat and has the support of the United States.

4. Canada's general approach to the gentleman's agreement suggests that Canadian support should go to Romania as it did to Poland at the fourteenth session. However, important considerations prompting the Canadian decision to support Poland do not apply in the case of Romania. In 1959 Canadian support for Poland was justified by the relative independence which that country had been able to achieve within the Soviet bloc. Poland's relatively independent stand in international councils and its more advanced internal policies merited a gesture of encouragement from a country such as Canada. Romania, on the other hand, is one of the least independent of the East European countries.

⁷⁵ Note marginale :/Marginal note:
OK. [H.C. Green]

5. Moreover, the addition of many new African members of the United Nations has increased more than ever the pressure for greater African-Asian representation in the various organs. The increased pressure is, for the most part, applied against the Western European countries since most of the African-Asians are reluctant to seek election to seats traditionally reserved for the Soviet bloc. This is particularly unfair as it is the determination of the Soviet Union to prevent the enlargement of the Security Council and ECOSOC until Communist China is represented in the United Nations which frustrates the African-Asian desire for additional seats on the Councils. In seeking election to the Eastern European seat, the Philippines might thus serve a useful purpose, if it were to contribute to shifting the pressure for greater African-Asian representation on to the Soviet bloc.

6. Finally, in the present international atmosphere, it would be a welcome gesture of Western solidarity on the part of Canada, if we were to join with Western allies in supporting the Philippine candidature.

7. African-Asian reluctance to take a stand against a Soviet bloc candidate may lead to an election deadlock between Romania and the Philippines. If an acceptable compromise candidate were not then to appear, a split-term arrangement would be the only solution.

8. If you approve, therefore, the Canadian Delegation to the sixteenth session will be authorized (a) to support the candidature of the Philippines on the early ballots, and (b) in the event of an election deadlock, to exercise its discretion in supporting a compromise candidate or a split-term arrangement as the exigencies facing the General Assembly may warrant.⁷⁶

N.A. R[OBERTSON]

165.

DEA/5475-CX-1-40

Note pour le secrétaire d'État aux Affaires extérieures

Memorandum for Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], November 14, 1961

SECURITY COUNCIL ELECTIONS

One non-permanent seat on the Security [Council] remains to be filled. This is the so-called "Eastern European" seat which is being contested by *the Philippines* and *Romania*. At the last restricted ballot held on October 30 the result was: Philippines 54, Romania 48.

2. Under Rule 96 of the Assembly's Rules of Procedure this afternoon's voting will open with a series of 3 unrestricted ballots (i.e. Members are free to vote for anyone they want). If no country obtains the required two-thirds majority, the next series will be 3 restricted ballots, confined to the two candidates with the greatest number of votes in the third of the unrestricted ballots. And so on, until someone obtains the necessary two-thirds majority.

3. The USA have informed us that the position remains much the same as when voting was suspended on October 30. They will of course be attempting to rally as much support for the Philippines as possible.

Instructions

4. The Delegation is authorized to support the Philippines on the early ballots but may exercise its discretion in supporting (a) a compromise candidate or (b) a split-term arrangement as a means of assisting the General Assembly to circumvent a possible election deadlock.

⁷⁶ Note marginale :/Marginal note:
OK. [H.C. Green]

5. There seem to be good reasons for Canada to continue to support the *Philippines* as long as there appears to be any chance of securing its election. Romania is one of the least independent of the Soviet bloc countries and its election could result in a composition of the Council which would be unfavourable to the West. If Romania were elected, there would be 2 Soviet bloc reps (USSR, Romania) plus 2 undependable neutrals (Ghana, UAR) on the Security Council. The West would then require the concurring votes of all of the 7 remaining members (UK, USA, France, China, Venezuela, Chile, Ireland) to take any positive action. The USA argue that the net effect would be to give the right of veto to any of the Western seven.

6. In the previous voting, held on October 30, *Ghana* and *Venezuela* were elected for two year terms. *Ireland* was elected for one year (1962) to replace Liberia under the split term arrangement agreed upon last year.⁷⁷

SUBDIVISION V/SUB-SECTION V

AFRIQUE DU SUD
SOUTH AFRICA

166.

DEA/7060-40

*Extrait de l'ordre du jour provisoire de la seizième session
de l'Assemblée générale des Nations Unies*

*Extract from Provisional Agenda of the Sixteenth Session
of the United Nations General Assembly*

AGENDA ITEM 76
CONFIDENTIAL

[Ottawa], September 6, 1961

THE QUESTION OF RACE CONFLICT IN SOUTH AFRICA RESULTING FROM
THE POLICIES OF APARTHEID OF THE GOVERNMENT
OF THE REPUBLIC OF SOUTH AFRICA

A. *Background References*

Final Report of the 14th Session UNGA, Item 61,⁷⁸

Final Report of the 15th Session UNGA, Item 72,⁷⁹

Prime Minister's Statement on South Africa's Withdrawal from the Commonwealth, Hansard, March 17, 1961;

Explanatory Memorandum proposing Inscription of the item, Doc. A/4804, July 20, 1961, with Add.1-5.†

⁷⁷ Note marginale :/Marginal note:

This holds to our line. G. M[urray]

Le 30 octobre, l'Irlande, le Ghana et le Venezuela ont été élus au Conseil de sécurité. Ni la Roumanie ni les Philippines n'ont obtenu un nombre suffisant de voix pour obtenir le quatrième siège. Le 27 novembre, les deux pays se sont entendus pour partager le mandat de deux ans.

On 30 October Ireland, Ghana and Venezuela were elected to the Security Council. Neither Romania nor the Philippines received enough votes to gain the fourth seat. On November 27 the two countries agreed to divide the two-year term between them.

⁷⁸ Voir/See Volume 26, document 39.

⁷⁹ Voir/See document 147.

B. *Issues Facing the 16th Session*

There is little doubt that South Africa's policies of racial discrimination will be one of the most strongly debated issues at the 16th session.

2. The resolution passed at last year's session Resolution 1598(XV), passed on April 13, 1961 by 95 votes in favour, with one against (Portugal) and no abstentions, marked a turning point in discussion of this item at the United Nations. The resolution censured South Africa in the strongest terms but while it requested all states to consider taking such separate and collective action as was open to them in conformity with the Charter to bring about the abandonment of these policies, it did not include recommendations for sanctions which had been demanded by the African members.

3. Since this resolution was passed, South Africa has left the Commonwealth, becoming a Republic on May 31, 1961, and has not shown the slightest sign of complying with the wishes of the United Nations Assembly on racial issues. Indeed the South African Government has become even more rigid and unyielding in its determination to apply its apartheid policies. A general election will be held on October 18, 1961, and the Nationalist government is making approval of its racial policies the central issue of the election campaign. Nearly all political observers have predicted that Dr. Verwoerd will be given an increased majority by the South African electorate.

4. In these circumstances, the African members will be inclined to argue that at last year's resolution has proved ineffective in bringing about any alteration in the apartheid policies of the South African Government, direct action by the United Nations is now called for.

C. *Attitude of Directly Interested Parties*

5. *Apartheid* is an issue with which all members of the United Nations, without exception, feel that they are directly concerned.

6. *South Africa* has always maintained the view that this is a matter of domestic jurisdiction in which the United Nations is forbidden to intervene. It will have recorded its objection to inscription and will probably not participate in any discussion of the subject.

7. The *African members*, under the leadership of Ghana, will pursue the issue most strongly. The resolution which they sponsored at the resumed session of the 15th Assembly, after the usual condemnation of South Africa's racial policies, recommended all states to break off diplomatic relations with the Government of South Africa, to close their ports to South African vessels and to prevent their own ships from entering South African ports, to boycott all South African goods and to refrain from exporting goods to South Africa and to refuse landing or passage facilities to all South African aircraft. When the operative clause containing these recommendations failed to obtain a two-thirds majority in the Plenary Session, the vote being 43-34(Canada)-21, the resolution was dropped.

8. The *African members* have stated that they will continue to press for sanctions against South Africa at each succeeding Assembly. It is conceivable that they might also ask for South Africa's expulsion from the United Nations.

9. The *Asian members* feel as strongly as the African members about racial discrimination. However, they thought that the imposition of economic and diplomatic sanctions was inconsistent with Article 41 of the Charter, whereby the imposition of sanctions is the responsibility of the Security Council alone. They may also have taken into consideration the fact that a resolution recommending sanctions would have little chance of obtaining the necessary two-thirds majority. Among the Asian group, *Ceylon, India and Indonesia* voted in favour of the African resolution. *Burma, Cambodia, Japan, Laos, Pakistan, Philippines and Thailand* were among those who abstained. The resolution sponsored by the Asian members condemned South Africa in the sharpest terms and noted with grave concern that South

Africa's racial policies had led to international friction and had endangered international peace and security. The resolution requested that all states should consider taking such separate and collective action as was open to them in conformity with the Charter of the United Nations to bring about the abandonment of South Africa's racial policies.

10. *The Soviet bloc* has always supported Afro-Asian resolutions on this subject and will presumably continue to do so.

11. The strength of world opinion against South Africa was reflected in the remarkable shift of Western members from opposing or abstaining on apartheid resolutions, as they had done in recent years, to voting in favour of the Asian resolution which, as mentioned above, was passed by 95-1 (Portugal)-0. The resolution on apartheid passed at the 14th session, which was considerably milder than the Asian resolution of the 15th session, was passed by 67-3 (France, Portugal, UK) with 7 abstentions (*Australia, Belgium, Canada, Dominican Republic, Finland, Netherlands, Spain*).

D. *Likely Course of Events*

12. The letter of inscription dated July 18, 1961 placing the apartheid item on the agenda of the 16th General Assembly was signed by 39 countries, with 7 more names being added later. These included, as might be expected, all the African members, most of the Asians, and also such countries as Ireland, Cyprus, Brazil, Uruguay, Denmark, Iceland and Norway.

13. The letter of Inscription refers to Resolution 1598(XV) which had been passed by an overwhelming majority but had failed to bring about any change in the policies and actions of the Republic of South Africa, which continued "with increasing ruthlessness and disregard of world opinion and of the successive resolutions adopted by the United Nations." The letter warned that the South African Government's policy of apartheid was a continuing cause of international friction and was likely to endanger peace and security.

14. The events of the past year in South Africa would seem to rule out any possibility of a moderate resolution. The division of opinion will be between those who think that South Africa can be forced by physical means to alter its racial policies and those who feel that application of the strongest possible moral pressure by mobilizing world opinion is the most effective way of bringing about change in South Africa.

15. The African members will again bring forward a demand for universal sanctions which will include those which they asked for at the last session, breaking off diplomatic relations, trade boycott and cancellation of shipping and air links. Some of the African members may feel that South Africa should be expelled, from the United Nations. Even if South Africa is not expelled, many African members would welcome the passage of a very strong resolution which was so harshly critical of South Africa that South Africa would voluntarily withdraw from United Nations as it did from the Commonwealth.

16. The question is therefore not whether a moderate resolution can be obtained, but rather what limits can be set on the expected tough resolution.

E. *Policy Considerations Involved for Canada*

17. Many factors are involved. Racial discrimination, as practiced by the South African Government, is abhorrent to nearly all Canadians and public opinion in Canada is extremely critical of the harshly abusive attitude of the South African Government on this issue.

18. The following considerations need to be taken into account.

19. In the past it was felt that attacking or condemning the South African Government was more likely to be harmful than helpful to the non-white population of South Africa. However, this policy of restraint has not proved to be of noticeable value and does not seem to have influenced the policy of the South African Government. There seems therefore no alternative

to placing more reliance on the hope of bringing about a change in South Africa's policies by the power of world opinion, as reflected in very strongly worded resolutions passed by the General Assembly of the United Nations.

20. Canada has had close associations with South Africa in the past and recognizes the many excellent qualities of the English and Afrikaner inhabitants of South Africa. We realize the great difficulty of finding a solution to the problem of relations between the races in this country and we appreciate that the South African Government, within the limitations of its philosophy, has made great efforts to improve the social and economic conditions of the native population. At the same time we believe that the policy of apartheid is both inhumane and unworkable and, if pursued in its present manner, can only lead to catastrophe. We believe that efforts should still be made to try to bring about a change from within in South Africa by peaceful methods of persuasion and negotiation.

21. The arguments against applying sanctions to South Africa under present conditions are that their use would be counter to the Charter's provision that sanctions were intended solely for use by the Security Council for preventing or stopping international hostilities. Their use would also mean applying to South Africa something which has not been used against perpetrators of international crimes even more opprobrious. It would set a precedent of questionable legality which under different circumstances could be used to coerce other small nations.

22. There are also strong practical arguments against the use of economic sanctions for exerting political pressure. If every nation refused to trade with any other nation of whose policies or principles it disapproved, the pattern of international trade would quickly become extremely distorted. Economic sanctions would also be ineffective unless accepted by all the major industrial countries which have substantial trade relations with South Africa. There is no guarantee that some of these countries, who question the legality of such action by the United Nations, would continue to trade with South Africa at the expense of those countries which did comply. Finally, there is the point that those who would suffer first and most in South Africa from economic sanctions would be the African workers.

23. The breaking off of diplomatic relations as a means of expressing disapproval for South Africa's racial policies would require careful consideration. We have diplomatic relations with many countries of whose policies we strongly disapprove but with whom we have to conduct international business of one kind or other.

24. It is also possible that if a resolution calling for sanctions was passed by a two-thirds majority, South Africa would withdraw from the United Nations. There is no doubt that many members would welcome such a withdrawal and would even favour expulsion of South Africa at the present time. On the other hand it may be argued that membership of the United Nations continues to place some restraint on the South African Government in its treatment of its non-white population and that withdrawal, or expulsion, could lead to more extreme measures of discrimination with even less regard for international opinion.

F. Instructions

25. No doubt should be left in the minds of the South African Government about the complete disapproval by nearly every member of the United Nations of their apartheid policies. Accordingly, the Canadian Delegation should be prepared to support those parts of a resolution, even though they may be phrased in very strong terms, which condemn apartheid policies. If the same resolution should contain proposals concerning sanctions or the expulsion of South Africa, the Delegation should refer to Ottawa for instructions.

26. The Delegation should keep the Department informed of any approaches which are made to it by other delegations and about any proposed resolutions which it learns of while they are

still in the drafting stage. The delegation will perhaps wish to consult with the Department concerning the nature of the response it makes to any approaches by other delegations and regarding its attitude on any proposed resolutions which may appear to be gaining support.

G. Suggested Lines to be Followed in Statement

27. If it is found appropriate for the Canadian representative to participate in the debate in committee, some or all of the following points might usefully be made. The exact nature of the statement, however, and certainly the emphasis to be given to specific points will depend to a considerable extent on the action which Canada has found it possible to take.

(1) Canada opposes racial discrimination in South Africa or wherever it appears as a denial of fundamental human rights to which all members of the United Nations have subscribed.

(2) Canada deplores the suffering and frustration which the South African Government's apartheid policy has brought to the non-white population of South Africa. The objectionable features of the system have completely obscured any progressive measures which the South African Government has taken for its native population, such as the provision of low cost native housing, the provision of hospital and medical facilities, the beginnings of the economic development of the native reserves, the provision of educational facilities, etc.

(3) Canada is convinced that apartheid, as well as being an evil policy, is also unworkable and extremely dangerous. If continued on its present lines, it will bring economic, and eventually, political and social disaster to all the people of South Africa.

(4) Canada regrets the position of isolation in which South Africa has placed itself by following those policies. We still believe, even at this stage, that South Africa should reverse its course and work for a policy of true racial partnership. This would have to be by a gradual process of moving away from apartheid, with concessions on the part of the white population and continued patience by the non-white population. We believe that an atmosphere in which a multi-racial society in South Africa would be possible could only be achieved by peaceful cooperation between white and non-white South Africans. We are therefore opposed to the use of force to try to bring about a change.

167.

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. 396-61
CONFIDENTIAL

[Ottawa] October 25, 1961

APARTHEID

The apartheid issue is being discussed by the Special Committee of the UN General Assembly in New York this week, the debate having started on Monday, October 23. In their inscription of this item the African delegations pointed out that last year's apartheid resolution, which was approved by 95 to 1, has failed to bring about any change in the policies and actions of the Republic of South Africa. They also claimed that apartheid is a continuing cause of international friction and is likely to endanger peace and security.

2. The Ghanaian delegation has circulated a draft resolution recommending sanctions against South Africa similar to those contained in the African resolution which failed to obtain a two-thirds majority at the last session, but also including a demand for South Africa's expulsion

from the United Nations. In addition to inviting the Security Council to recommend the expulsion of South Africa, the resolution recommends that all states should:

- (a) break off diplomatic relations with South Africa;
- (b) close their ports to South African vessels;
- (c) prevent their own ships from entering South African ports;
- (d) boycott all South African goods and refrain from exporting goods to South Africa; and
- (e) refuse landing and passage facilities to all South African aircraft.

3. The Ghanaian resolution has not yet been tabled in the Special Committee. It will probably be altered before it reaches the Committee and in committee and it is possible that the demand for South Africa's expulsion may be dropped. Feeling against South Africa remains very strong and it is possible that the demand for sanctions will receive the necessary two-thirds support in plenary.

4. It should be noted that the Assembly can only recommend sanctions. To be mandatory a sanctions resolution would have to be approved by the Security Council. It could be defeated in the Security Council either by failure to obtain seven votes or by a veto.

5. The British are very strongly opposed to the use of economic sanctions against South Africa on grounds of both principle and national interest and are most anxious to obtain enough support to defeat them in the Assembly, rather than be faced with the possibility of having to use a veto in the Security Council.

6. In making a decision as to the position which our Delegation should adopt, there are many factors which should be taken into consideration. The question of expulsion has been discussed in a separate memorandum to Cabinet. † With regard to breaking off diplomatic relations, it has been the Canadian view that the question of maintenance of diplomatic relations with a particular government should not be related to approval or disapproval of that government's policies. With regard to the economic sanctions proposed in the Ghanaian resolution, the following aspects are involved.

7. The arguments in favour of supporting a demand for sanctions are:

(1) It is true that the South African Government has paid no attention to the resolution passed by an overwhelming majority at the last session calling on it to bring its policies and conduct into conformity with its obligations under the Charter. The fact that the many hortatory resolutions of the past years have all been ineffective adds weight to the African contention that sanctions are the only means remaining to the UN enforcing its will.

(2) The South African Foreign Minister, Mr. Louw, in his speech in the General debate has stated that the South African Government has no intention of altering its racial policies in deference to United Nations opinion. The uncompromising and aggressive tone of his speech has destroyed any remaining sympathy for the South African position.

(3) The African delegations consider that the apartheid issue is of direct and vital concern to them. Failure to support their resolution might offset the benefit we have gained from our strong stand against apartheid in the past and would leave us open to the accusation that we are insincere in our opposition to apartheid.

(4) As we have obtained the support of nearly all the African delegations on matters of great interest to Canada, they may feel that we should support them on issues which they regard as vital. Our attitude might affect their votes on other issues of direct interest to us. It might also prejudice the special relationship which we have been able to develop with the French-speaking African states.

(5) In the recent general election, the Nationalist government increased its majority, winning two-thirds of the seats in parliament, while campaigning on its racial policies. It is therefore

irrelevant to argue that the United Nations pressure will increase the support within South Africa for the Verwoerd Government.

8. On the other hand, there are a number of reasons why it would be in Canada's interest to oppose the application of sanctions to South Africa because of its apartheid policies. These include:

(1) Their use would be counter to the Charter's provision that sanctions were intended solely for use by the Security Council for preventing or stopping international hostilities.

(2) Their use would also mean applying to South Africa something which has not been used against perpetrators of international crimes even more opprobrious. It would set a precedent of questionable legality which under different circumstances could be used to coerce other small nations.

(3) If every nation refused to trade with any other nation of whose policies or principles it disapproved, the pattern of international trade would quickly become extremely distorted.

(4) Economic sanctions would be ineffective unless accepted by all the major industrial countries which have substantial trade relations with South Africa.

(5) Those who would suffer first and most in South Africa from economic sanctions would be the African workers.

9. While the Canadian Delegation voted at the last session for the Asian resolution on apartheid, which noted that the continuance of the South African Government's racial policies "endangers international peace and security," it is difficult to believe that a situation such as that which exists now in South Africa was meant to be covered by the relevant articles of the Charter dealing with measures designed to "maintain or restore international peace and security." The use of sanctions against South Africa because of apartheid policies would set an extremely bad precedent for the United Nations. It might lead to a number of further sanctions proposals. Certainly Portugal would be next in line but some delegations might be tempted to propose sanctions against the Soviet Union, France, Israel or the Netherlands. Moves like this could produce a difficult, embarrassing and confusing situation in the Assembly. Added to the internal problems which already exist in the United Nations, resort to the sanctions procedure might bring down the Organization.

10. In terms of Canadian interests, it is probable that a vote for economic sanctions, or even an abstention, would call into question the special contractual arrangements of 1932 with South Africa which govern our trade relations. Either party can cancel after due notice and the balance of advantage from these preferences is substantially in our favour, as is also the balance of trade itself (\$50 million Canadian exports as opposed to \$10 million imports). When consideration was being given to cancelling these arrangements at the time South Africa left the Commonwealth, numerous representations against such action were received from Canadian exporters. It is also probable that special legislation would be necessary to enable Canada to implement a sanctions resolution passed by the United Nations.

11. In the light of the foregoing considerations, Cabinet guidance would be appreciated as a basis for instructions to the Canadian Delegation to the Sixteenth United Nations General Assembly.

H.C. GREEN

168.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], October 26, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Solicitor General (Mr. Browne),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Forestry (Mr. Flemming).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Labarge), (Mr. Watters).

. . .

POSSIBLE EXPULSION OF SOUTH AFRICA FROM THE UNITED NATIONS

15. *The Secretary of State for External Affairs* said that the Special Committee of the United Nations was discussing South Africa and the apartheid issue at the present session of the General Assembly this week. The Ghanaian delegation had circulated a draft resolution recommending sanctions against South Africa and also including a demand for South Africa's expulsion from the United Nations. In addition a number of actions to be taken by states were recommended.

(Minister's memorandum, Cab. Doc. 396-61, Oct. 25)

16. *Mr. Green* considered that the idea of sanctions or the expulsion of a member was foreign to any past practice in the United Nations. Although Canada had voted at the last session for the Asian resolution on apartheid, the proposed resolution was going much further.

Britain was worried about the imposition of sanctions because of its possible effect on their trade with South Africa and because South African ports were required in moving naval vessels around the Cape. On the other hand if Canada voted against sanctions she would be lined up with a very small group because the large Asian and African blocks would vote for sanctions. Canada needed the support of these groups on other matters. Even abstaining would create some difficulty with the African and Asian groups.

17. *During the discussion* some said Canada should vote against the resolution because some of the sanctions, such as the breaking off of diplomatic relations, were acts just short of war. Others wondered whether by abstention Canada would be committed to carry out sanctions if the resolution passed. It was made clear that this would not be the case.

18. *The Cabinet* agreed that the Canadian Delegation to the United Nations General Assembly in New York be instructed to abstain from voting on a resolution recommending sanctions against South Africa.

. . .

169.

DEA/7060-40

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

CONFIDENTIAL

[Ottawa], October 27, 1961

APARTHEID

The present position seems to be as follows:

1. Cabinet has recommended to the Prime Minister that the Delegation should,
 - (a) express Canadian views on apartheid,
 - (b) vote "no" on expulsion,
 - (c) abstain on sanctions.
2. This will be communicated to the Prime Minister by the Minister by telephone.
3. The Minister has spoken to Senator Brooks about Canadian participation in the debate, advising that Canadian intervention should be delayed until there is a draft resolution tabled.

G.P. DE T. G[LAZEBROOK]

170.

DEA/7060-40

*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 1, 1961

APARTHEID

I attach a copy of the Apartheid Resolution sponsored by the Congo (Leopoldville), Ghana, Guinea, Iraq, Libya, Mali, Sierra Leone, Somalia, Sudan and the United Arab Republic which has been tabled in the Special Committee.† Attached also is the text of the Indian resolution, tabled late last night and sponsored by Afghanistan, Ceylon, Malaya, India and Venezuela.‡ The text was obtained by our Delegation from the Malaysians, and there may be some slight alterations in it.

2. The Indian resolution follows very closely the wording of last session's resolution 1598 (XV), which was passed by 95 votes in favour (including Canada) to 1 against (Portugal), although the wording of most of the operative clauses has been strengthened to a greater or less degree.

3. When this matter was considered by Cabinet, there was no firm prospect of an alternative moderate resolution and the possibility of there being such resolution was not mentioned in the Memorandum to Cabinet of October 25.

4. If, as I suppose, you would wish the Delegation to support the Indian resolution,⁸⁰ you might consider that, by thus fully expressing our opposition to apartheid, there would be less likelihood of being misunderstood if we voted against the sanctions clause in the African resolution (while abstaining on the resolution as a whole).⁸¹ African opinion is still divided on the sanctions paragraphs, whereas there must be virtually unanimous support of the Indian resolution.

5. A second new element is the depth of feeling which has been aroused by the Soviet explosion of their 50 megaton bomb and their continuance of testing since its explosion. Should the United Nations take the important decision to turn to sanctions at all, it might well seem inappropriate, under present conditions, to establish the precedent in the case of South Africa rather than that of the Soviet Union, which has flagrantly defied world opinion.

N.A. R[OBERTSON]

171.

DEA/7060-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour le sous-secrétaire d'État par intérim aux Affaires extérieures*

*Memorandum from Special Assistant,
Office of the Secretary of State for External Affairs,
to Acting Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], November 2, 1961

Reference: Your memorandum of November 1, 1961

APARTHEID

After examining your memorandum under reference, the Minister has reaffirmed that the Delegation is to support the Indian Resolution; and to abstain on the sanctions clause in the African Resolution while abstaining on the Resolution as a whole.

2. The Minister's instructions have been passed to the Delegation by telephone.

3. The Delegation in New York is aware that an abstention on the question of sanctions means that this issue cannot form a main feature of any statement they make. They intend to send us the draft text of Tremblay's statement for the Minister's consideration by the weekend if possible.

4. A new development mentioned by Tremblay on the telephone is that whereas until now the Africans have been divided on the question of expulsion, with resulting uncertainty as to whether it would appear in the final version of their Resolution, they have now closed ranks and have taken a position in favour of both expulsion and the imposition of sanctions. The Minister has authorized Tremblay to vote against the expulsion clause, unless the great majority of others intend to abstain or vote for.

ROSS CAMPBELL

⁸⁰ Note marginale :/Marginal note:
Yes. [H.C. Green]

⁸¹ Note marginale :/Marginal note:
No. Abstain on sanctions. [H.C. Green]

172.

DEA/7060-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour la Direction de l'Afrique et du Moyen-Orient*

*Memorandum from Special Assistant,
Office of Secretary of State for External Affairs,
to African and Middle Eastern Division*

[Ottawa], November 9, 1961

UNGA SPECIAL COMMITTEE: APARTHEID

The new situation which has arisen as a result of the uncertainty as to whether a blocking third can be maintained in Plenary in respect of the African Resolution (calling for expulsion and sanctions) was discussed at length with the Minister last night, including the possible influence that the Canadian position would exert on the Scandinavian and certain Latin American Delegations.

2. The Minister reiterated his conviction that it would be impossible to explain to the Canadian public, who are aroused about South African race policies, a vote against sanctions and therefore apparently in defence of apartheid. He therefore confirmed that the previous instructions should stand, viz that the Delegation should vote against operative paragraph 5 (expulsion) and abstain on operative paragraphs 6, and all parts thereof, and 7, both dealing with sanctions.

3. These instructions have been conveyed by telephone to Senator Brooks.

ROSS CAMPBELL

173.

DEA/7060-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour la Direction de l'Afrique et du Moyen-Orient*

*Memorandum from Special Assistant,
Office of Secretary of State for External Affairs,
to African and Middle Eastern Division*

[Ottawa], November 9, 1961

APARTHEID

The Minister has consulted the Prime Minister concerning the voting position set out in my earlier memorandum of today's date. As a result the Prime Minister has fully endorsed the instructions already given to the Delegation.

ROSS CAMPBELL

174.

DEA/7060-40

*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 10, 1961

APARTHEID

The Ethiopian Delegation this morning introduced the following new operative paragraph as an amendment to the draft Indian Resolution (L 72) to be inserted after the present operative paragraph 3:

“Calls the attention of the Security Council to the provisions of Article 11 (3) and to consider what measures should be taken against the Republic of South Africa for its persistent violations of the Charter of the United Nations.”

2. Article 11 (3) states that “The General Assembly may call the attention of the Security Council to situations which are likely to endanger international peace and security.” Taken in conjunction with the existing operative paragraphs 4 and 6 of the draft Indian Resolution (urging all States to take such separate and collective action as is open to them in conformity with the Charter, and reaffirming that the continuance of South Africa’s policies seriously endangers international peace and security), this is considered by a large number of Delegations to be in effect a request to the Security Council to impose sanctions.

3. The wording of the second half of the amendment, requesting the Security Council to consider measures against South Africa for its persistent violations of the Charter, is a clear reference to Article 6 of the Charter, which reads as follows:

“A Member of the United Nations which has persistently violated the Principles contained in the present Charter may be expelled from the Organization by the General Assembly upon the recommendation of the Security Council.”

4. The Ethiopian amendment would therefore appear to be designed to introduce into the Indian draft Resolution, in another form, the recommendations contained in the Ghanaian draft Resolution that the Security Council consider both sanctions and expulsion of South Africa. In view of the decision that the Delegation should vote against operative paragraph 5 of the Ghanaian Resolution (expulsion), you may wish similarly to instruct the Delegation to vote against the Ethiopian amendment and, as a consequence if this paragraph is not deleted, to abstain on the Indian Resolution as a whole.

5. It is understood that the Ethiopian amendment has the backing of a number of Latin American Delegations. It is the estimate of our Delegation that this may well enable it to obtain a two-thirds majority both in the Committee and in Plenary.

6. According to our Delegation, the Danes and Norwegians, who have been co-sponsors of the Indian Resolution, are very much disturbed over this development and the fact that the Indians appear willing to accept the amendment, however much they may deplore it in private. It is likely, therefore, that the Danes and Norwegians will withdraw their co-sponsorship. It is their present intention to vote against the amendment and abstain on the Indian Resolution as a whole.

7. We understand that a similar position will probably be adopted by the following Delegations: Australia, Ireland, Japan, Netherlands, New Zealand, U.S.A.

8. If we vote against the amendment and abstain on the Indian Resolution as a whole, you may consider it advisable for our Representative in the Committee to make a brief statement

reiterating our previous intention to give full support to the Indian Resolution and expressing our regret that the terms of the Ethiopian amendment make it no longer possible to do so.

N.A. R[OBERTSON]

175.

DEA/7060-40

*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-564

Ottawa, November 11, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 2645 of Nov 10.†

16TH UNGA: ITEM 76 – APARTHEID

The Minister has considered the voting possibilities set forth in paragraph 5 of your reference telegram and his instructions are as follows:

(a) Separate votes should be called for on the two clauses of the Ethiopian amendment and you should support such a procedural motion.

(b) In this event you should abstain on the first part of the Ethiopian amendment (ending “provision of article 11(3)”) and vote against the second part.

(c) You should abstain on the Soviet Amendment.

(d) You should vote in favour of the resolution as a whole even if both amendments or any parts of them are included in the final text.

2. The Minister wishes to consider these voting problems with you at the Monday morning meeting of Candel. Any other questions concerning this item can be raised then.

176.

DEA/7060-40

*Note de l'ambassadeur au Chili
pour le secrétaire d'État aux Affaires extérieures
Memorandum from Ambassador in Chile
to Secretary of State for External Affairs*

CONFIDENTIAL

[New York], November 15, 1961

VOTING PROSPECTS FOR APARTHEID ITEM IN PLENARY

Following upon the discussion of this matter with you this afternoon, you may wish to have the following summary of the situation.

The report of the Special Political Committee on the apartheid item may come before Plenary late this week, or early next week. As you know, if the voting pattern recorded in the Committee can be approximately reproduced in Plenary, a result generally satisfactory from the Canadian viewpoint will be achieved. The expulsion and sanctions provisions of the African draft resolution will fail to secure the two-thirds majority needed for adoption, as will the objectionable elements which were introduced into the Indian draft resolution by amendments in the Committee. The African resolution, if proceeded with at all, thus will be in

a form acceptable to us, while the Indian text will be restored to its original form, which we support.

The achievement of the results outlined above of course depends upon repeating in Plenary the separate votes which were taken in Committee on the contentious paragraphs of the two resolutions. A request for such separate votes will be made in Plenary, and normally it would not be contested. It is, however, quite conceivable that the Africans or (more probably) the Soviet bloc may attempt to obstruct the request for separate votes on the various operative portions of the resolutions; and while the procedural motion involved would only need a simple majority, there can be no assurance that this could be won. We should therefore be prepared to meet this possible eventuality when the apartheid item comes to Plenary.

Should separate votes on the various contentious portions of the two draft resolutions be denied in Plenary, the only way remaining to prevent adoption of the expulsion and sanctions provisions of the African resolution, and of the undesirable elements added to the Indian draft by amendment in Committee, would be to block adoption of the two resolutions in their entirety. Those delegations which have participated in the opposition to sanctions (whether the specific ones spelled out in the African resolution or the sweeping general sanctions envisaged by the Soviet and Ethiopian amendments to the Indian resolution) evidently would seek vigorously to mount "blocking thirds" against the two resolutions in these circumstances. Clearly, the Canadian delegation would come under strong pressure to alter its position on the resolutions as a whole in the light of any such development. We would be strongly urged, particularly by our Scandinavian and Irish friends as well as by the United States, the United Kingdom, Australia and New Zealand, to vote against the African resolution, and to at least abstain on the Indian resolution.

The issue in the voting on the two draft resolutions in this situation would be squarely whether or not expulsion and sanctions provisions should be adopted by the General Assembly. The margin for blocking the resolutions if they were thus voted on only as a whole, with no opportunity to deal separately with the contentious portions, would be very narrow indeed; and the Canadian vote could be of special importance to the outcome.

We understand your instructions to be that should the contingency envisaged above arise, we are to abstain on the African draft resolution and vote for the amended Indian draft resolution, explaining our vote on the latter.⁸² Copies of the two relevant texts as they will be taken up in Plenary are attached for your information. †

P. TREMBLAY

⁸² Notes marginales :/Marginal notes:

I. Approved by SSEA 15/11. R. C[ampbell]

Tremblay should be informed by telephone or telegram. R. C[ampbell] 16/11

II. Subsequent to above, SSEA indicated he wished to review the Canadian voting position. [R. Campbell]

177.

DEA/7060-40

*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 17, 1961

APARTHEID IN PLENARY

Yesterday you requested us to review the probable situation in Plenary when the apartheid item comes up for discussion. We have taken into consideration the memorandum of November 15 on this subject prepared for you in New York by Mr. Tremblay. Attached for your approval is telegram V-576 of November 17⁸³ which reviews the various voting possibilities and suggests the policy line which the Delegation should follow in consultation with other delegations and in the voting in Plenary when it actually takes place. The main recommendations are as follows:

(a) The Delegation should try to persuade the Africans, and particularly the Indians, not to block the paragraph by paragraph vote on either of the resolutions.

(b) If paragraph by paragraph voting is not permitted on the 31-power (African) text and it is presented as a whole, the Canadian Delegation should vote against it.

(c) The Indians should be more disposed than the Africans to have a paragraph by paragraph vote on the 8-power text, particularly in view of the Soviet and Pakistan amendments. The Canadian Delegation should strongly urge the Indians to follow this procedure. In the event that such voting is blocked, however, the Delegation would continue to vote in favour of the 8-power text but express opposition to expulsion and reservations about the use of sanctions in the situation which exists in South Africa.

(d) The Delegation should make known its position on voting not only to the co-sponsors but to other Delegations which abstained on both texts or voted in favour of the 8-power text.

2. Mr. Tremblay's memorandum of November 15 and the text of the two resolutions are also attached.⁸⁴

N.A. R[OBERTSON]

⁸³ Voir/See document 179.

⁸⁴ Note marginale :/Marginal note:

Tel not sent but seen by Minister. G. M[urray]

178.

DEA/7060-40

*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 2870

New York, November 22, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: London, Washington, NATO Paris, Paris, Geneva.

16TH UNGA: ITEM 76 – VOTING PROSPECTS FOR APARTHEID ITEM IN PLENARY

We participated today in a meeting on this subject at which were represented delegations of Australia, New Zealand, Denmark, Japan, Argentina, France, United Kingdom and USA. Decisions agreed upon concerning handling of apartheid item in plenary may be summarized as follows:

(a) United Kingdom, USA and Danish delegations, and perhaps one other delegation from among co-sponsors of Indian draft resolution (L72), will submit letters to President of UNGA asking that separate paragraph votes be taken in plenary on the contentious paragraphs of both African draft resolution (L71) and Indian draft as amended in committee. Aim of course would be to have the opportunity to approximate report in plenary voting pattern which was recorded in committee, whereby (because of the requirement for a two-thirds majority in Plenary) the expulsion and sanctions provisions of African resolution and the objectionable elements introduced into Indian text by amendment in committee, would be voted down;

(b) Danish Representative tentatively agreed that his delegation would formally move from floor in Plenary a motion embodying request already conveyed in letters to President for separate paragraph votes on two resolutions;

(c) To provide against the eventuality that motion for separate paragraph votes may fail, every effort will be made to ensure that a number of delegations which abstained on African resolution as a whole in committee will vote against it in Plenary if it is treated as a whole without separate votes to eliminate the objectionable paragraphs. It should be just possible to defeat African resolution as a whole on this basis;

(d) It was recognized that Indian resolution probably could not repeat not be defeated in Plenary if voted upon as a whole including the objectionable amendments. There was some discussion of the possibility of moving a substantive amendment in Plenary to excise the objectionable amendments; while this would probably not repeat not secure the required two-thirds majority, it was suggested that it would at least enable delegations to register their objections to the elements introduced into text by Soviet Ethiopian and Pakistani amendments. This idea remains tentative, however, depending upon the procedural feasibility of moving such an amendment in Plenary.

2. It was agreed that all delegations represented [at today's] meeting would share in advance efforts to line up support for the procedural proposal calling for separate paragraph votes on the two resolutions. This campaign of course will be directed primarily at the various delegations which in course of voting in committee registered objections to specific portions of one or other of draft resolutions by either abstaining or opposing these paragraphs, and therefore may be expected to want an opportunity similarly to register their attitude in the voting in Plenary.

3. It remains our expectation that the apartheid item will be taken up in Plenary during the early part of next week, although it is difficult to predict with any certainty when Assembly will find time for it.

179.

DEA/7060-40

*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-590

Ottawa, November 24, 1961

CONFIDENTIAL. OPIMMEDIATE.

16TH UNGA: ITEM 76 – APARTHEID IN PLENARY

We understand that you might consider it helpful to have the text of the draft telegram on this subject prepared for the Minister on November 17 but not approved because of developments in New York. That text is contained in the following paragraphs.

2. As you suggest, when the apartheid item comes before Plenary, the result would be generally satisfactory if the voting followed the pattern established in committee. The expulsion and sanctions provisions would probably fail to secure two-thirds support. The Indian draft resolution, more or less in its original form, would emerge as the recommendation of the Assembly. However, since the sponsors of the 31-power resolution may not permit paragraph by paragraph voting, and presumably they have sufficient voting strength to prevent this procedure, an awkward situation could be created.

3. In the period between now and the voting in Plenary, the delegations opposed to expulsion and sanctions will undoubtedly seek to block those provisions in both resolutions. You should seek, in your consultations with the co-sponsors of the two resolutions, to persuade them to accept paragraph by paragraph voting. You should explain that Canada is opposed to expulsion and has grave reservations about the propriety and efficacy of sanctions as a means of changing the apartheid policies of South Africa. The Charter provisions concerning sanctions clearly envisage that they should be invoked only in the event of an actual threat to the peace, breach of the peace or act of aggression. The Security Council is the appropriate organ to make such a finding and call for action. Attempts to use voting strength in the Assembly to impose sanctions are unwise and likely to be ineffective. Canada fully shares the desire of those delegations who wish to exert the maximum influence on South Africa to change its policies but we consider that this result can best be obtained by adopting proposals which have an overwhelming support of UNGA, in other words, proposals like those contained in the original Indian text.

4. If the 31 co-sponsors cannot be persuaded to permit paragraph by paragraph voting, we assume that there will be an Assembly vote on this procedural question. You should support any motion calling for paragraph by paragraph voting on the 31-power resolution. If paragraph by paragraph voting occurs, you should vote as you did in committee, that is, against operative paragraph 5 and abstain on operative paragraphs 6 and 7. However, if the resolution as a whole is put to the vote, because paragraph by paragraph voting is blocked, you should vote against the 31-power resolution.

5. Your vote against the 31-power resolution would ensure its defeat, if one other member, who abstained in committee, followed Canada's example in the voting in Plenary. We would hope that the co-sponsors of the 8-power resolution in the interests of having a heavy

supporting vote would allow paragraph by paragraph voting on their text. If this should happen, Canada should vote as it did in committee, that is, abstain on the first part of the Ethiopian amendment; vote against the second part; abstain on the Ethiopian amendment as a whole; and against the Soviet amendment; and abstain on the Pakistan amendment. Our hope is that the objectionable parts of the 8-power text would be rejected for want of two-thirds support.

6. Some delegations which voted in favour of the Indian resolution as a whole and also most of those who abstained should be in a strong tactical position to persuade the 8 co-sponsors to permit paragraph by paragraph voting. You should strongly urge the Indians not to oppose such voting because of Canada's desire to give full support to the text originally proposed and because of our inability to support without reservation the amended text. It would do no harm if the Indians gained the impression that in Plenary there might be even more abstentions than there were in committee. The African-Asians as a whole will have failed in their main objective if the final vote in favour of this year's resolution on apartheid is considerably smaller than the one last year.

7. If, in spite of all efforts, the 8-power text as amended is voted upon only as a whole, we would be obliged to follow the vote cast in committee but with reservations about the objectionable clauses. This would require an explanation of vote emphasizing: (a) Canada's outright opposition to and condemnation of apartheid; (b) Canada's opposition to expulsion, and (c) Canadian serious reservations about the use of sanctions as a means of bringing about a change in South African policies. For tactical reasons our vote on the resolution as a whole if amendments remain should not be disclosed in advance.

8. In the period before the voting in Plenary, we believe that it may be desirable to make known the Canadian position on other voting, not only to the sponsors of the two texts but to those delegations which have abstained. You should also inform some of those who voted against the 31-power resolution. Our aim, of course, should be to bring about the most satisfactory result attainable in the various contingencies mentioned in this telegram.⁸⁵

SUBDIVISION VI/SUB-SECTION VI

COLONIALISME

COLONIALISM

180.

DEA/5475-AT-7-40

*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 29, 1961

RESOLUTION ON SOVIET COLONIALISM

On September 27 the Prime Minister requested a memorandum from the Department setting out arguments for and against introducing, in the course of the Canadian statement in the General Debate, a resolution on Soviet colonialism. Attached for your approval is a

⁸⁵ Voir/See Kennett Love, "Apartheid Policy Condemned in U.N.: But Assembly Rejects Any South African Sanctions," *New York Times*, November 29, 1961, p. 4.

memorandum which discusses possible procedures involved, the nature of any such resolutions and the arguments in favour and against introducing it.⁸⁶

2. The balance of argument tends to run against submitting a resolution on Soviet colonialism. There will, of course, be opportunities at the 16th session to criticize the Soviet Union for its domination of subject peoples in Eastern Europe. You will recall, however, that Western efforts to persuade the African-Asians that their declaration on colonialism could be applied equally to traditional colonialism and to Soviet domination, met with little success at the 15th session. A Canadian resolution on Soviet colonialism would probably have little support at the 16th session because of the wide spread anxiety about the prevailing East-West tension. I fear that a Canadian initiative along these lines would be regarded, by many of the uncommitted delegations and even by some of our friends, as a cold war manoeuvre. If you agree with our assessment of the situation, you may wish to initial the memorandum for the Prime Minister.⁸⁷

N.A. R[OBERTSON]

181.

J.G.D./MG01/XII/C/433

*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], September 29, 1961

RESOLUTION ON SOVIET COLONIALISM

You have asked for a Departmental assessment, including a description of procedures, of the prospects for introducing during the Canadian statement in the General Debate a resolution on Soviet colonialism. In this regard, the Canadian statement is scheduled for the morning of October 3.

Procedure

2. It is not the normal practice for member states to introduce substantive resolutions during the General Debate, although there is no specific rule prohibiting this. The General Debate is used mainly as a means of indicating the intentions of member states as regards proposals they wish to make at a later stage in the proceedings.

3. There are some precedents for submitting draft resolutions during the General Debate for immediate consideration by the Assembly. Last autumn, the five neutralist leaders formally proposed a meeting between President Eisenhower and Mr. Khrushchev. That proposal was mainly of a procedural nature and did not fall under any specific item on the Assembly's agenda.

4. The Soviet Union has inscribed an item entitled "The Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples." Mr. Gromyko has indicated that the Soviet Union will call for the establishment of a new United Nations commission to control that implementation. The whole subject will be discussed in plenary session some time after the General Debate. All proposals concerning

⁸⁶ Voir le document suivant./See the following document.

⁸⁷ Note marginale :/Marginal note:

Initialed by SSEA & sent to H.B. R[obinson], 29/9. R. C[ampbell]

colonialism are likely to be discussed under the Soviet item. If it were decided to submit a Canadian resolution, it would be appropriate to follow such a procedure.

5. Alternatively, Canada could ask for the inclusion of an additional item on the Assembly's agenda concerning Soviet colonialism. Such an item would be governed by Rule 15 which provides that "items of an important and urgent character" may be placed on the agenda if the Assembly so decides by majority vote. Besides, this would involve consideration by the General Committee and by the General Assembly, both of which might be disposed to reject an additional item on the ground that the subject matter could be dealt with under the existing Soviet item on colonialism.

Nature of the Resolution

6. Presumably, the proposed resolution should be related to the one adopted by the General Assembly on December 15, 1960 which was the African-Asian version of the declaration on the granting of independence to colonial countries and peoples (copy attached).† That resolution contained, both in its preambular and operative paragraphs, language applicable to subject peoples under Soviet domination. The preamble of any new resolution could refer to that declaration and perhaps reaffirm its relevant provisions. In its operative part, such a resolution, among other things, could call for the exercise of the right of self-determination by peoples under Soviet domination. In your statement at the 15th session, you emphasized that those peoples should be given the opportunity to determine the kind of government they wanted under genuinely free conditions. In his statement on September 25, President Kennedy called for the application of "the principle of free choice and the practice of free plebiscites in every part of the globe."

7. The details of any such resolution would have to be carefully examined. At the 15th session, mainly out of consideration for the United Kingdom, Australia and New Zealand, the African-Asians avoided language which could be said to apply to any specific member state. While a resolution could be aimed specifically at the Soviet Union, there would be a risk that the anti-colonial powers, including the Soviet bloc, would succeed in turning it to their own advantage, either through amendment or by using it as a precedent. The colonial powers might suffer disadvantage with adverse effects for Western unity.

Arguments in Favour

8. In view of the rapid development of the former colonial territories into nationhood, mainly through the conscientious effort of Western powers, there is little reason why the Soviet Union should be permitted to pose as a champion of freedom. Its own record of domination should be fully exposed and the hypocrisy of its stand on colonialism. The Soviet authorities have shown themselves sensitive to such criticism. Far from being on the defensive, most of the Western powers are now in a position to point with pride to their record of freely granting independence. The uncommitted states should be urged to take as firm a stand against Soviet domination as they have taken against traditional colonialism. Moreover, the whole picture of freedom and independence should be placed in proper perspective when the General Assembly is debating colonialism.

Arguments Against

9. The uncommitted states, and especially those from Asia and Africa, still see colonialism only in terms of past conditions in these two continents. They persist in rejecting Western efforts to draw parallels between Soviet and traditional colonialism. That they do not wish to see colonialism turned into a cold war issue was demonstrated last autumn when they rejected the Soviet declaration. Moreover, as part of their general reluctance to be drawn into cold war issues, they resist Western attempts to expose Soviet domination of subject peoples and dismiss them as tactics designed to ward off African-Asian attacks on the Western colonial

powers. The luke-warm attitude of the uncommitted states as regards the situations in Hungary and Tibet illustrates these points.

10. At the 16th session, attention most probably will be focussed on three main East-West issues: Berlin, nuclear tests and disarmament. The principal aim of the Western powers, and certainly that of the uncommitted states, will be to bring about negotiations with the Soviet Union on these questions which are closely related to the fundamental issue of peace or war. With this aim in mind, even those members who are fully conscious of the fact of Soviet colonialism will nonetheless be opposed to adding new sources of East-West friction at this time.

11. In the circumstances, it seems unlikely that a Canadian resolution directed against the Soviet Union would attract the two-thirds support needed for its adoption. The uncommitted states (some 40 votes) can be expected to oppose it or abstain. In addition, it would probably not have the support of the Scandinavian countries, Ireland, Austria or several of the Latin Americans (Brazil, Cuba, Venezuela and Mexico certainly would not). Even among the colonial powers, France, Portugal and possibly the United Kingdom might find difficulty in supporting the resolution on doctrinaire grounds because it could be regarded as intervening in the domestic affairs of a member state. Recent votes in the Assembly on the inscription of items indicate a cool attitude toward so-called cold war issues; Hungary, for example, was inscribed by a vote of 51 in favour, 15 against and 30 abstentions; the vote on Tibet was 48-14-35. The vote in favour of any new item or of a proposal specifically condemning the Soviet Union might be much less.

12. While the balance of argument tends to run against submitting a resolution on Soviet colonialism, there will be opportunities at the 16th session to expose Soviet hypocrisy on colonialism. These opportunities will occur in the General Debate and in the debates on colonialism, Hungary and Tibet. To introduce a resolution, however, without a careful canvass of Assembly opinion would be to run the risk of a voting defeat. In any event, at best such a resolution would attract a simple majority, probably with a large number of abstentions, a voting result which would be insufficient for the adoption of the proposal.

H.C. G[REEN]

182.

DEA/5475-AT-7-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum by Special Assistant to Secretary of State for External Affairs
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], October 18, 1961

PRIME MINISTER'S SPEECH
ON COLONIALISM IN THE GENERAL ASSEMBLY

The Prime Minister said on October 17 that he was still inclined to proceed with his earlier intention to address the General Assembly during the debate on Colonialism. He made it clear that he had in mind concentrating on Soviet colonialism as the main element in his speech. He did not rule out the inclusion of other themes, but I took it from his comments that any such additional points would be supplementary to his main objective. He said that he did not intend to propose a resolution but he indicated that, in the course of his speech, he might foreshadow

the submission of a resolution at the next session of the Assembly. He asked me to confirm his earlier request that the Department should prepare a draft speech.⁸⁸

2. As you perhaps know, United Nations Division is now discussing with other Divisions concerned an outline for such a speech with a view, if possible, to securing an initial reaction from the Prime Minister before he leaves next week for Japan. On the basis of his comments, it would then be possible to complete the preparation of the draft for submission to the Prime Minister on his return from Japan, probably on November 2.

H.B. R[OBINSON]

183.

DEA/5475-AT-7-40

*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], October 31, 1961

GENERAL ASSEMBLY DEBATE ON COLONIALISM

The General Assembly is scheduled to have a Plenary debate on colonialism possibly during the course of the next week. The Assembly has two agenda items which relate to the general question: the main one is the Soviet item entitled "The situation with regard to the implementation of the Declaration on the granting of independence to colonial countries and peoples." The Resolution of the fifteenth session is attached.†

2. Indications are that, in the Plenary discussion this year, the Assembly will be required to deal with several proposals. Already there are the Soviet proposals (a) calling for an end to all colonial régimes in 1962 and (b) establishing a standing commission to supervise the implementation of the Declaration. The Nigerians have been canvassing support for a resolution calling for a general target date of 1970 but this may not be satisfactory to other African states, which are looking for a shorter timetable. The Netherlands has submitted a resolution, for consideration under the Soviet item, which is designed to establish a kind of United Nations trusteeship for West New Guinea, but Indonesia has already expressed opposition to this. There may be other proposals as well.

3. The explanatory memorandum, submitted by the Soviet Union, sought to include in the discussion of colonialism: trusteeship matters; the affairs of the non-self-governing territories; questions like Angola, Goa, the Congo, Algeria, Bizerta, Kuwait, Oman, Aden, Puerto Rico, and South African racial policies. The Soviet Union apparently intends to fire a propaganda broadside, designed to do as much harm as possible to all the Western powers and their allies. In doing so, the Soviet Union will try to identify the attitude of the so-called "socialist countries" with that of the independent states of Asia, Africa and Latin America "in their joint struggle against colonialism and imperialism."

⁸⁸ Le premier ministre n'a pas proposé de résolution et n'a pas parlé de colonialisme à l'Assemblée générale en 1961. Il a toutefois annoncé, lors d'un discours prononcé à Toronto le 22 novembre, qu'il présenterait une résolution à cet égard l'année suivante. Voir "Canada to Attack Soviet Colonialism," *Globe and Mail*, November 23, 1961, pp. 1-2.

The Prime Minister did not propose a resolution or speak on colonialism at the General Assembly in 1961. However, he announced in a speech given in Toronto on November 22 that he would introduce such a resolution the next year. See "Canada to Attack Soviet Colonialism," *Globe and Mail*, November 23, 1961, pp. 1-2.

4. The hope is that the African-Asians can be encouraged to resist efforts by the Soviet Union to assume the leadership in the field of colonialism and that they will wish to attract support for proposals of their own, which presumably will be more moderate than those of the Soviet Union. The Nigerian proposal on a general target date is an indication in this direction.

5. There should be three main elements in the Western position on colonialism:

(a) The Western powers, as far as possible, should identify themselves with progressive policies for eliminating colonial régimes in the shortest possible time. Proposals for premature target dates, sanctions and conceivably the expulsion of South Africa and Portugal, however, [could] cause acute embarrassment to the West.

(b) The record of most Western powers in promoting independence in the colonial areas should be given the most favourable presentation. This will probably mean that South Africa and Portugal will be isolated.

(c) The Western powers should seek to expose Soviet motives in promoting unworkable proposals on colonialism and in appealing to the ideals of democratic procedures. The Declaration of the 15th session, which was initiated by the African-Asians, contains many clauses and phrases which can be employed effectively against the Soviet Union because of its subjugation of people in the Baltic states, the Ukraine, Central Asia and elsewhere.

6. Before the Assembly deals with concrete proposals, it will no doubt engage in a general debate on colonialism in which positions of principle can be fully explained. It will not be necessary in this general debate to deal with specific proposals and it may be undesirable to do so, because of the possibility that further proposals will be forthcoming before the proceedings on colonialism are completed. Any counter-attack against the Soviet Union could best be made during this general debate.

7. The experience of the past has been that Western attacks on Soviet colonialism have produced the following results:

(a) Either in exercise of their right to reply or on a point of order, Soviet bloc representatives have responded at once. They might, for example, try to persuade the President of the Assembly to rule remarks out of order; they might confine themselves to attacks on the speaker; they might advance counter-arguments.

(b) Representatives of uncommitted states might deplore Western efforts to turn the discussion on colonialism into a cold war debate. In the past, they have tended to concentrate unreasonably on the evils of traditional colonialism in Asia and Africa and to shrug off the Soviet Union's domination of subject people. The African-Asians might argue, as well, that attacks on the Soviet Union were designed primarily to evade the real issues of colonialism in which the Western powers are the real culprits.

8. In view of the foregoing, any attack on the Soviet Union should be combined with a clear recognition of African-Asian preoccupations about traditional colonialism and should be placed in the broad context of United Nations purposes and principles. The Assembly can be urged to apply these with equal force wherever the situation seems to demand their application.

9. A related factor is the impact of any sharp cold war debate on the tense Berlin situation. Sharp attacks on the Soviet Union during the debate on colonialism could increase the tension and would certainly alarm many of the uncommitted members, who will be seeking to avoid further aggravation of East-West relations.

10. Consistent with these considerations, a statement has been prepared for possible use in the General Debate on colonialism. The draft is attached for your approval.†

H.C. G[REEN]

184.

DEA/5475-AT-7-40

*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, 1961

U.N. ASSEMBLY DEBATE ON COLONIAL INDEPENDENCE

The general debate on colonialism and on U.N. assistance to Africa, which has been proceeding this week, is expected to be completed on Friday morning and the debate on the resolutions would begin Friday evening. These include the Soviet resolution and the African-Asian resolution on the implementation of the colonial declaration, a Dutch and an Indian resolution on West New Guinea, and the Nigerian resolution on African independence.

2. Our Delegation has asked in their telegram 2833 of November 21, attached,† whether they should remove their name from the list for the general debate and whether, if we wish to intervene in the debate on colonialism, they should place our name on the list to speak on the African-Asian resolution.

3. Before answering their question, you will no doubt wish to consider our views on the African-Asian resolution and our probable vote on it.

4. I attach a copy of the African-Asian resolution (telegram 2817 of November 20).† Its principal proposal is the establishment of a seventeen-member committee, to be named by the President of the Assembly, which is to examine the application of the declaration on colonialism contained in UNGA resolution 1514 XV (for which Canada voted), and to make suggestions and recommendations on the progress and extent of its implementation. The Committee can decide its own procedures and may meet at places other than the U.N. headquarters, but only “in consultation with the appropriate authorities.”

5. The main difficulty for the administering powers in accepting the resolution will be the interpretation to be placed on the Committee’s powers of making recommendations – whether it will make detailed recommendations for specific territories and attempt to set target dates. The administering powers would naturally hope that it will restrict itself to general recommendations on the progress of colonial independence. Another unknown factor is the actual membership of the Committee of seventeen, which could greatly affect its usefulness.

6. The African-Asian resolution is, of course, greatly preferable to the Soviet resolution, which calls for a general 1962 target date, immediate elections in all colonial territories, removal of all military bases, etc., and which, it is to be hoped, will be defeated as was the Soviet colonial resolution last year. It will be all the more important, therefore, that the African-Asian resolution, by contrast, should have the widest possible support and it would be in Canada’s interest to vote in favour of it. If you decide that we should vote for the African-Asian resolution, it might be desirable for us to speak in the debate on the resolution before the vote is taken, in order to indicate our support, rather than to speak in explanation of vote. We could define in our statement the way in which we interpret the duties of the proposed Committee.

7. The Delegation has pointed out that if we speak in the debate on the African-Asian resolution rather than in the general debate, this would enable us to avoid speaking on the question of West New Guinea which has become a somewhat bitter issue.⁸⁹

8. If you agree, I attach a telegram to New York† for your approval suggesting that they should remove our name from the speakers list for the general debate and place it on the list to speak on the African-Asian resolution.⁹⁰

9. When in New York you may wish to discuss the African-Asian resolution with the Delegation, and a telegram suggesting lines for their statement could be prepared on your return, in the light of your discussion.

G. DE T. GLAZEBROOK
for Under-Secretary of State
for External Affairs

185.

DEA/5475-AT-7-40

*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 8, 1961

IMPLEMENTATION OF THE COLONIAL DECLARATION
SEVENTEEN-MEMBER COMMITTEE

The British Delegation has asked our Delegation in New York whether Canada would be interested in serving on the seventeen-member Committee which is to be nominated by the President of the General Assembly under Resolution 1654 (XVI) adopted in plenary on November 27.

2. As you know, the Committee is to examine the application of the Colonial Declaration, to make suggestions and recommendations on the progress and extent of its implementation, and to report to the General Assembly at its seventeenth session.

3. Our Delegation points out that the Committee will have to deal with forty-eight non-self-governing territories on which information is supplied to the United Nations (forty-one being British), Spanish Overseas Territories and South West Africa. The Committee will be the most important United Nations supervisory body dealing with colonial questions and its recommendations may be expected to carry great weight in the Assembly.

⁸⁹ La phrase « The Nigerian resolution on independence for Africa, with its 1970 target date, has run into considerable African and Asian opposition and its sponsors might not necessarily welcome too open Western support, » a été rayée par M. G. de T. Glazebrook, qui a écrit dans la marge : « This requires more detailed study of how we could best encourage a valuable resolution. »

A sentence reading "The Nigerian resolution on independence for Africa, with its 1970 target date, has run into considerable African and Asian opposition and its sponsors might not necessarily welcome too open Western support," was crossed out by G. de T. Glazebrook, who wrote in the margin, "This requires more detailed study of how we could best encourage a valuable resolution."

⁹⁰ Note marginale :/Marginal note:

Not sent. Discussion passed orally to PermisNY. R. C[ampbell] 23/11

4. Various combinations have been suggested for the choice of members, as set out in Candel New York's telegram 3125 attached,[†] and Canada might be chosen as one of the countries from America, or for a "floating seat."

5. For a number of reasons, Canada might be considered a desirable candidate for membership. We have no past history as a colonial power and have taken an active interest in colonial questions at the United Nations. We have good relations with the great majority of newly-independent states, many of whom might support our candidature. Equally, a number of the administering powers, particularly the British, would like to see us on the Committee. Finally, the Committee will cover a very important field and will have a serious and challenging task to which Canada could make a useful contribution.

6. On the other hand, there would be serious disadvantages for Canada in membership of such a committee. As a member, it would be necessary for us to take sides on many detailed questions affecting colonial territories administered by other Commonwealth countries. We might often find ourselves faced with a choice between offending either our closest allies or our friends among the newly-independent states. The usefulness of the Committee will depend to a great extent on the nature of its membership. If it is over-weighted with Soviet-bloc and other extreme "anti-colonial" representatives, its discussions will not be productive. The ideal slate envisaged by the United Kingdom (paragraph 2D of the attached telegram) is, as our Delegation points out, unlikely to be achieved.

7. In any competition for a floating seat, other moderates such as Ireland or one of the Scandinavians might have a better chance of election than Canada, particularly if several other Commonwealth countries are fairly certain of election. If Canada were nominated for an American seat, there could be objections to having both Canada and the United States occupying two of three seats allocated to America.

8. In view of the above considerations, I would suggest, if you agree, that the Delegation might be instructed to inform the British that we would not wish our name to be suggested for membership on the seventeen member Committee. We could also inform our own Delegation that if a strong pressure for Canada to accept membership on the Committee were to develop, we would be willing to reconsider our position.⁹¹

N.A. R[OBERTSON]

⁹¹ Note marginale :/Marginal note:
OK. H.C. G[reen]

SUBDIVISION VII/SUB-SECTION VII

REPRÉSENTATION DE LA RÉPUBLIQUE POPULAIRE DE CHINE
 REPRESENTATION OF THE PEOPLE'S REPUBLIC OF CHINA

186.

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. 317-61
 SECRET. CANADIAN EYES ONLY.

[Ottawa], August 30, 1961

THE CHINA QUESTION AT THE 16TH SESSION
 OF THE UNITED NATIONS GENERAL ASSEMBLY

The United States Government, through its Embassy in Ottawa, has informed the Department of External Affairs of its thinking concerning the treatment of the China question at the 16th session of the General Assembly and has instructed its representatives here and in a number of countries to seek the reaction of the governments to which they are accredited to the approach which the United States is now considering.

CURRENT UNITED STATES VIEWS

The Moratorium

2. The United States has decided that the moratorium proposal – a procedural device which has prevented United Nations consideration of the China question for the past eleven years – would be unlikely to obtain a majority at this session. They have so informed the Nationalist Chinese, who have, with considerable reluctance, accepted the United States judgment in this regard. Accordingly, the moratorium will not be proposed at the 16th session.

3. At the same time, the United States is determined to preserve the voice of Nationalist China in the United Nations. It is opposed to any change of Chinese representation which would allow the Chinese Communists to take China's seat and cause the Nationalist Chinese to be expelled. Moreover, because of the strongly adverse reactions in Congress to reports that the administration was considering some form of "two-Chinas" solution, any thought of putting forward such a proposal has been abandoned – at least for the present.

Chinese Membership

4. The United States believes that the whole question of Chinese membership should be treated by the General Assembly as an "important" question within the meaning of Article 18 (2) of the Charter. In other words, decisions of the Assembly in relation to the China question should be made by a two-thirds majority of the members present and voting. Since questions of credentials are decided by simple majority vote, it follows that the United States cannot accept that the question of Chinese representation should be merely a matter of credentials.

5. Accordingly, the United States proposes to seek at an appropriate time in the General Debate on China a decision, which would be taken by a simple majority, that the China question is "important" and must be decided by a two-thirds vote. This is a primary objective of United States policy at the 16th session.

Study Group

6. In view of the importance of the China question and its implication for other important matters pending before the United Nations, the United States believes that a study group should be established by the Assembly to consider the whole question. This study group would look into the implications of changing Chinese representation in various United Nations organs, but especially the Security Council and the Economic and Social Council. Whether or not the terms of reference for the study group called for consideration of broader questions such as enlarging those Councils to bring about a more equitable geographical distribution in their composition, these questions would almost inevitably arise. The United States sees some advantage in such a broadening of the study. Various criteria governing membership in and the composition of the Councils might also have to be considered. Presumably, the study group would report to the 17th session of the General Assembly.

7. In essence, the United States position which is now being considered is that:

- (a) the moratorium should not be employed again;
- (b) the Chinese representational question is an "important" one requiring a two-thirds majority vote, not simply a credentials question to be decided by a simple majority, and
- (c) a study group should be established by the Assembly to consider the whole question of Chinese membership.

8. United States officials believe that there may be a considerable body of opinion at the United Nations which would support this approach. They recognize, however, that some member governments (the communists, and probably at least some of the uncommitted) would almost certainly argue that the real intent behind the two main moves was merely to delay the entry of the Chinese Communists – in other words, that it was a new form of moratorium.

9. There can be little doubt that one important immediate objective of the United States Government in this matter is in fact to gain time. It may well be that they hope their own public opinion would, as a result of such an international study of all the implications, become more reconciled to eventual acceptance of Communist Chinese representation in the United Nations, though continued representation from the government in Formosa would, of course, continue to be an important objective of United States policy.

10. The Assembly's decision in this matter would have a most important bearing on United States attitude toward the United Nations in the future. The United States takes the position, therefore, that the question is of sufficient importance domestically to warrant an insistence that the General Assembly not only treat the question as important but study it thoroughly before taking any decision involving a rearrangement of Chinese representation.

SUGGESTED CANADIAN REACTION

11. My assessment of the situation which is likely to arise in the General Assembly in relation to the China question is very similar to that of the United States. Certainly, there is no doubt about the conclusion that the moratorium is no longer a practical proposal and that it would be extremely risky to put it forward again at the 16th session. It seems a safe assumption that some of the governments, which in the past have either opposed the moratorium or abstained on it, would nonetheless agree that the China question should not be decided by a bare majority of the members. In other words, there are good reasons to believe that a move, either put forward by the United States or by one of its supporters, to have the China question treated as an "important" one would be supported by the required simple majority. Certainly, this seems to be an effort worth making.

12. The proposal for a study group can also be justified. The argument that this would be a delaying tactic is not as valid as it appears. If the Assembly had decided that a two-thirds majority was necessary to decide the China question, there would be some delay in any event

because two-thirds of the members are not yet ready to take that decision. It would be wise and justifiable, a gain in any event, to provide suitable machinery for studying the question of Chinese membership in all its implications. The Soviet Union and others have insisted that proposals, like those for enlarging the Councils, cannot be dealt with until the question of Chinese representation has been resolved.

13. One real problem of forming a study group might be to reach agreement on its composition. This should not prove insurmountable, however. Quite obviously, the study group would have to be widely representative of the various geographical areas and power groupings. If such a study group could be established early in the 16th session, the pressure for increased representation on the Councils from the African-Asians should be eased somewhat, for it would be possible to say that the problems of enlarging the Councils and reallocating seats and determining a new basis for their composition would be fully considered by that study group.

14. Whether sufficient support could be attracted to this proposal for a study group is difficult to assess. The idea has been aired at United Nations Headquarters. The Swedish Mission, for example, has been canvassing opinions concerning it. It probably would not have the support of those who have been pressing strongly for a straight change of Chinese representation but they might be prepared in the end to go along with it since it would represent a considerable improvement over the stalemate of the past eleven years. Moreover, many delegations might wish to take some constructive step which would clear the ground for a final solution of this longstanding question which may be of vital significance for the future of the Organization.

15. The fundamental United States position is not too far removed from the Canadian policy on China, particularly as regards preserving some position in the United Nations for the Formosan authorities. There is plenty of opportunity for developing a respectable case for the two main proposals which the United States is considering. There is also room for hope that they will have the support of a sufficient majority of members. Accordingly, I recommend:

(a) that the United States Government be informed that we consider the course proposed by them is probably the best course to follow in present circumstances, that we would like to be kept informed as the proposals are developed, and that we would anticipate being able to give them what support we could;

(b) that we express this reaction not only to the United States Government but also to others who share our interest in the matter;

(c) that we suggest to the United States that steps be taken as soon as possible to concert positions of like-minded states and to attract the support of as many other United Nations members as can be persuaded to adopt the proposed course.

H.C. GREEN

187.

PCO

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

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

CABINET DOCUMENT NO. 342-61
SECRET. CANADIAN EYES ONLY.

[Ottawa], September 13, 1961

THE CHINA QUESTION AT THE 16TH SESSION
OF THE UNITED NATIONS GENERAL ASSEMBLY

Since my memorandum of August 30, 1961, the United States Government has approached Canada, Colombia, Ireland, Japan, Malaya, New Zealand, Nigeria and Norway with the suggestion that they jointly request the inscription of an item on the Agenda of the 16th Session of the General Assembly entitled "The Question of Chinese Representation." Co-sponsorship of an item for inscription does not necessarily entail the obligation to advance or co-sponsor subsequent resolutions, although this is generally so, and in this instance the United States hopes that in fact this would be the case.

2. United States representatives have told us that they consider the study group an essential element in obtaining agreement on a two-thirds majority, and see it as something more than just a blocking device to maintain the moratorium under another name. The United States would not itself be a member of the co-sponsoring group, but would expect to support inscription and to give "quiet support" during the subsequent substantive debate.

3. Indications are that Ireland and possibly Nigeria would not be prepared to co-sponsor inscription of an item on this question, that Colombia would, and that Japan, Malaya, New Zealand and Norway might be willing to co-sponsor, subject to the establishment of a sufficiently representative group and provided assurances of United States support can be obtained. So far, these conditions have not been met. Steps are, however, being taken to obtain clarification of the United States position and to clear up the remaining uncertainties about procedure and the composition and terms of reference of the proposed study group on Chinese representation.

4. Since this year there appears to be no possibility of avoiding a substantive debate, and since the advocates of the immediate seating of Communist China are likely to be active in pressing their case, I believe that a solution at this Session along the lines indicated in my memorandum of August 30 would be the best we could reasonably expect.

5. The questions for decision are, therefore, whether the Canadian delegation should be instructed:

(a) to consult with the United States and other delegations with a view to ultimate joint action;

(b) to co-sponsor a request for inscription of an item on Chinese representation and subsequently to co-sponsor resolutions on:

(i) having the Chinese representation issue designated (i) "an important question" requiring a two-thirds majority.

(ii) the establishment of a study group, provided that a broadly representative group of sponsors can be found.

H.C. GREEN

188.

DEA/5475-EJ-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour la Direction du Moyen-Orient*

*Memorandum from Special Assistant,
Office of the Secretary of State for External Affairs,
to Far Eastern Division*

SECRET. CANADIAN EYES ONLY.

[Ottawa], September 14, 1961

Reference: Memorandum to Cabinet dated August 30, 1961, and Supplement dated September 13, 1961.

THE CHINA QUESTION AT THE 16TH SESSION OF
THE UNITED NATIONS GENERAL ASSEMBLY

Cabinet consideration of this item today concentrated only on the immediate problem of the United States approach to us and others as set out in the Supplement dated September 13. It resulted in a Cabinet decision that Canada should not become involved in the proposed middle power initiative on the ground that it was preferable on this issue to retain freedom of manoeuvre, which might be lost if we were associated with a United States-inspired initiative.

2. There was apparently a general inclination to have Canada go slow until more was known of the distance the United States was itself prepared to go in seeking a solution to the China problem. The decision of Cabinet amounted to an endorsement of the views expressed by the Minister himself.

3. The Minister has already telephoned this decision to Mr. Ritchie, and asked him to offer careful explanations to Mr. Stevenson, so worded as to make it clear that we appreciate fully the United States Government's wish to find a reasonable interim solution to the China question at the Assembly.

4. I shall endeavour to obtain from the Minister clarification of Cabinet's reaction to the two proposals in the main memorandum dated August 30, viz., that Canada support the idea that the China representation question is not simply one of credentials but an important one requiring a two-thirds majority, and that we favour the suggestion for the creation of a study group.

ROSS CAMPBELL

189.

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. 435-61

[Ottawa], November 20, 1961

CONFIDENTIAL

THE CHINA QUESTION AT THE 16TH SESSION
OF THE UNITED NATIONS GENERAL ASSEMBLY

Two items on Chinese representation in the United Nations have been inscribed on the agenda of the General Assembly. As the procedural device of the moratorium on discussion of

the question has been abandoned, a substantive debate on these two items will take place in the Assembly, probably with a week or ten days. The purpose of this memorandum is to outline for the approval of Cabinet the general approach which I would propose to instruct the Canadian Delegation to follow in this debate.

Because opinions of member governments on this question are sharply divided – ranging as they do from the proposal for simple acceptance of Communist China’s credentials to the position of those who firmly oppose any seating of the Communist Chinese – the question is clearly a complex one which is not susceptible of easy solution. Between the two extreme positions, there are many who favour a so-called “Two-Chinas” – or more accurately a “One China and a One Taiwan” – solution, with United Nations representation for both Communists and Nationalists. This approach is, however, complicated by the fact that neither Peking nor Taipei is at present prepared to accept such a solution, since each administration claims to be the government of the whole of China.

In the past we have consistently maintained the right of the people of Taiwan to determine their own political future. We have also argued that the question of Chinese representation is a question of major political significance which should not be resolved by a simple rejection of Nationalist Chinese credentials in favour of Communist Chinese credentials.

It is politically important for a number of reasons, the most important of which are as follows:

- (a) The fate of eleven million people on Taiwan is at stake.
- (b) The issue continues to complicate relations between the Western powers and so many of their friends in Asia and Africa, while at the same time it acts as a focus of agreement for the latter and the Soviet bloc.
- (c) The fact that no solution to the question has been possible for the past twelve years is a measure of the importance attached to it by all interested parties.
- (d) There are strong United States Congressional feelings on the subject. Hasty and ill-considered action to seat the Communist Chinese representatives at the expense of the Chinese Nationalists, without preserving United Nations status for Taiwan, could result in a withdrawal or reduction of American support for the United Nations, including heavy financial contributions, which would effectively cripple the organization.

It also appears to us technically “important” within the meaning of the United Nations Charter, not only because it relates to representation in the General Assembly but also in the final analysis to the disposition of a permanent Security Council seat. To have the question of a change in Chinese representation declared “important” by the Assembly would require only a simple majority vote, but once the issue is designated as such, any change in Chinese representation would require the vote of two-thirds of those members present and voting. In essence, this procedure, which is favoured by the United States and a number of other countries, would prevent precipitate action simply to replace Chinese Nationalist with Chinese Communist representatives without preserving a place for Taiwan in the United Nations. This is the objective of all those countries, including Canada and our closest friends, which believe that Taiwan is entitled to self-determination and to representation in the United Nations.

Because an attempt to apply a two-thirds majority rule, without at the same time giving some indication of willingness to seek a compromise solution to the problem, would be construed by many governments as nothing more than the moratorium in another guise, a second step would be necessary to ensure progress towards a solution of the issue. To this end, a number of delegations, including the United Kingdom, the United States, Sweden, the Netherlands and some others, favour the establishment of a committee to thoroughly study all aspects of the question and to make specific recommendations for its solution to the 17th Session of the General Assembly. Provided countries like India, which recognize the Peking

Government, would be prepared to serve on such a committee, a number of advantages could be expected to follow, including:

(a) There would be more time for detailed consideration of a solution involving the seating of Communist Chinese representatives while preserving separate membership for Taiwan.

(b) Necessary time would be gained in which to prepare Congressional and public opinion in the United States for a change in Chinese representation, thereby helping to ensure continuing United States support for the United Nations.

(c) Because a number of countries, including Britain, the Netherlands, Norway, Denmark and Sweden, have made their support for a two-thirds majority rule in this case dependent to an important degree on the formation of a study committee and on American assurance that the latter would not be regarded as a device to delay action on Chinese representation, success of the first step of declaring the issue "important" is dependent upon the second step of establishing a study committee.

Because we recognize that the question is both complex and important, and because we have consistently upheld the principle of self-determination for Taiwan, I believe it is essential to avoid the adoption of simple solutions such as a vote on rival Chinese credentials, which is favoured by the U.S.S.R. and its supporters. Accordingly I would propose, with Cabinet approval, to instruct our delegation to the United Nations to take the following action:

(a) To support in debate and with our vote a resolution designed to have the question of a change in Chinese representation declared "important."

(b) To support in debate and with our vote a resolution to establish a special committee to study the question of Chinese representation in all its aspects and to make specific recommendations to the 17th Session.

(c) To consider accepting membership in the committee if asked, provided that a representative group of other countries will also agree to serve.

H.C. GREEN

190.

DEA/5475-EJ-40

*Note du représentant permanent auprès des Nations Unies
pour le secrétaire d'Etat aux Affaires extérieures*

*Memorandum from Permanent Representative to United Nations
to Secretary of State for External Affairs*

CONFIDENTIAL

[New York], November 23, 1961

CHINESE REPRESENTATION IN THE UNITED NATIONS

The question of Chinese representation in the United Nations is unlikely to be discussed in plenary session before the end of November when it is estimated that the debate on colonialism should end. Whether it is discussed then or a week or more later, will depend largely upon the African delegations who are anxious to press on with consideration of the Angola report before the Chinese question. It is understood that the President of the Assembly wishes to insert the question of Chinese representation between colonialism and the Angola report. As yet the matter of timing has not been decided and it is clear that the Soviet delegation is not pressing for early consideration of its resolution on the Chinese question.

The present situation is that two items on Chinese representation have been inscribed on the agenda of the General Assembly, one requested by New Zealand and one by the Soviet Union. In addition, the Soviet delegation has submitted a draft resolution in the following terms:

“The General Assembly,

Considering it necessary to restore the lawful rights of the People’s Republic of China in the United Nations,

Bearing in mind that only representatives of the Government of the People’s Republic of China are competent to occupy China’s place in the United Nations and all its organs,

Resolves to remove immediately from all United Nations organs the representatives of the Chiang Kai-shek clique who are unlawfully occupying the place of China in the United Nations,

Invites the Government of the People’s Republic of China to send its representatives to participate in the work of the United Nations and of all its organs.”

The United States has been working behind the scenes in an effort to obtain sponsors for two resolutions, one seeking to have the question of a change in Chinese representation declared “important” within the meaning of Article 18 (2) of the Charter, thereby requiring a two-thirds majority vote to effect a change, and the other seeking the establishment of a committee to study the question of Chinese representation and to report to the General Assembly at its 17th Session. Initially, they wished the committee to also study “related questions,” such as enlargement of the Security and Economic and Social Councils, and “to report with recommendations for their resolution” to the 17th Session. At present they appear to be willing to drop “related questions” and “recommendations” in favour of simply studying the Chinese representational question and reporting to the next Assembly session.

On the basis of a survey of delegations at the UN it now appears that the United States will be able to find sponsors for the “importance” resolution and should be able to muster sufficient votes to achieve acceptance of the two resolutions it favours which will require only simple majorities (although it is argued by some delegations that if a change in Chinese representation is “important,” the establishment of a committee to study the question must also be “important,” requiring a two-thirds majority vote). Barring unforeseen shifts, it is estimated that at least 60 delegations, and possibly up to 65, would vote to declare the question of a change in Chinese representation “important.” Included amongst those who would probably vote affirmatively are at least 15 Latin American, 16 African, 18 Commonwealth, USA and West European, and 10 Asian and Middle Eastern countries. A similar degree of support is probable for the establishment of a study committee, although there would likely be one or two fewer possible votes. The Soviet resolution seems destined to obtain a maximum of 20 affirmative votes and will therefore be defeated.

There are, however, serious misgivings about the establishment of a committee, even amongst those who would vote for the “importance” resolution and who could probably be persuaded to vote for the committee. These misgivings have been reflected in the Americans’ inability to date to discover any delegations which would be willing to sponsor a resolution to establish a committee, primarily because of genuine doubts about the committee’s ability to accomplish anything beyond delaying a solution to the question. Even if sponsors for this resolution are found, it will be still more difficult to find a broadly representative group of committee members. In particular, it will be difficult, if not impossible, to persuade countries like India or Poland, which already recognize the Peking régime, to serve on the committee. A further obstacle is the Americans’ insistence that the committee should reflect the current United Nations situation as regards those who recognize the Communist Chinese government, those who recognize the Nationalist Chinese government and those who recognize neither, i.e. they assert that it should be on a 6 - 4 - 2 basis. Finally, even if the foregoing obstacles are overcome, it is arguable whether or not such a committee could develop any useful recommendations to resolve the question of Chinese representation.

There are rumours (as yet unsubstantiated) to the effect that a “neutralist” resolution seeking the seating of Communist Chinese representatives will be proposed in place of the Soviet resolution which seems assured of defeat. Such a resolution, if couched in reasonable terms, would probably attract close to 40 votes or more but, in the face of the American proposals mentioned earlier, could not be successful at the present session.

Whatever the final outcome of all these possible manoeuvres, it appears to be certain that Communist Chinese representatives will not replace Nationalist Chinese representatives at the present session. It also appears that adequate support is assured for American efforts to have the question declared “important.” The fate of the committee idea is less certain and it seems that the Americans will not be particularly unhappy if it does not succeed. The net effect will be a delay in resolving the question for another year. However, if this is the case, it may well hasten a decision on Chinese representation on a simple credentials basis – probably at the 17th Session of the United Nations General Assembly.⁹²

C.S.A. RITCHIE

191.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], November 30, 1961

Present:

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs and Acting Minister of Trade and Commerce (Mr. Churchill),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Public Works (Mr. Walker),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

...

THE CHINA QUESTION AT THE U.N. GENERAL ASSEMBLY

6. *The Secretary of State for External Affairs* said that the moratorium on discussion of the China question at the United Nations General Assembly had been abandoned and a debate

⁹² Notes marginales :/Marginal notes:

I. SSEA approved a telegram, summarizing this memo, which will eventually be sent by Permis NY. R. C[ampbell] 24/11

II. Phoned Barton 25/11 informing of SSEA approval & asking this tel. be sent from N.Y. R. C[ampbell] 25/11

Which was done as Candel NY's 2925 of Nov. 25/61† [Auteur inconnu/Author unknown]

would take place soon in the Assembly. The question was whether the issue of a change in Chinese representation in the United Nations should be declared “important” and if so whether a sub-committee should be established to study it. He also wanted Cabinet’s views on whether Canada should be a member of such a committee.

An explanatory memorandum had been circulated, (Minister’s memorandum, Nov. 20 – Cab. Doc. 435-61).

7. *During the discussion* it was said that the United States would not be happy to see Canada represented on this committee. The U.S. had strong feelings on the subject and the recommendations of the committee would be controversial.

8. *The Cabinet* agreed that the Secretary of State for External Affairs should instruct the Canadian delegation,

(a) to support in debate and with Canada’s vote a resolution designed to have the question of a change in Chinese representation declared “important”;

(b) to support in debate and with Canada’s vote a resolution to establish a special committee to study the question of Chinese representation in all its aspects and to make specific recommendations to the 17th Session; and,

(c) to see to it that Canada does not become a member of this special committee.

...

SUBDIVISION VIII/SUB-SECTION VIII

EFFETS DES RADIATIONS NUCLÉAIRES
EFFECTS OF NUCLEAR RADIATION

192.

DEA/5475-GE-40

Note pour le secrétaire d’État aux Affaires extérieures
Memorandum from Secretary of State for External Affairs

UNCLASSIFIED

[Ottawa], September 2, 1961

THE PROGRAMME FOR CO-OPERATIVE FALLOUT STUDIES

This memorandum contains the most recent information about the programme for co-operative fallout studies which was initiated by the General Assembly in 1959.

2. As you know, Burma, Malaya, Ghana and Pakistan have indicated their desire to co-operate with Canada in the analysis of certain samples for radioactivity. All four have been in touch with the appropriate Canadian authorities about the methods for collecting and transporting these samples. This has involved considerable correspondence through diplomatic channels but in recent weeks, as part of the administrative arrangements for the programme, the authorities both in Canada and in the other four countries have begun to communicate directly. Since the final administrative arrangements are nearly completed, the actual programme is expected to begin shortly.

3. The Department of National Health and Welfare has completed its arrangements in Canada, having assembled the necessary equipment and trained personnel. The Canadian authorities are anxiously awaiting the arrival of the first samples and they have been offering advice to the other four countries about collecting methods and apparatus.

4. Arrangements with Pakistan were completed rather more quickly than those with the other countries but arrangements with all four are now well in hand. The Canadian laboratory should

soon be dealing with samples of soil, food and bone collected in the other countries participating in the programme.

Canadian officials responsible for implementing this initiative are also pleased with the effect that the resolution adopted during the 14th Session has had on the amount of attention being given to radiation problems internationally. In Canada, the National Research Council Associate Committee on Radiation Biology has since been established in order that the biological effects of radiation might be more thoroughly studied. While parallel interest has been stimulated in other countries there has also been increased attention given to physical measurement of radiation samples. In addition, there has been a marked increase in the number of member countries supplying the United Nations with data on fallout levels.

In response to the resolution adopted during the 14th Session, at least twelve other nations (United Kingdom, Australia, France, Norway, Belgium, Sweden, Denmark, Japan, Israel, USSR, Argentina, Italy), the International Atomic Energy Agency and the World Health Organization have made offers similar to that of Canada to test samples for radio-activity that are sent in to them. A similar offer was made in 1956 by the United States.

An incidental benefit to Canada has been that, because of the demands of the programme for laboratory staff and facilities, we are now extremely well equipped to carry on work of this nature, both for cooperating nations and for Canada itself.

193.

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], October 11, 1961

UNSCLEAR: CANADIAN RESOLUTION ON RADIATION

On October 11, Mr. Armstrong of the United States Embassy called on me to discuss the Canadian draft resolution which the Delegation intends to submit to the Special Political Committee when the UNSCEAR item is being discussed. Mr. Armstrong said that the Canadian draft had been the subject of discussion between the United States Delegation and our own. The United States has made certain suggestions for revising the Canadian draft which are contained in the attached draft, which Mr. Armstrong left with me.

2. Mr. Armstrong made three points in commenting on the Canadian draft:

(a) The United States authorities objected to the scientific judgements contained in the first two preambular paragraphs of the Canadian draft. In other words, they did not like the relating of the resumption of nuclear weapons testing to the sharp increases in levels of radioactive fallout nor the thought that the Assembly should be "convinced" that prolonged exposure to increasing levels constituted a growing threat to this and future generations. The United States draft simply expresses concern about the prolonged exposure to increasing levels.

(b) The United States was opposed to the first operative paragraph of the Canadian draft, which contains the declaration that no state has a right to take action known to have harmful biological consequences and calls upon all member states to conduct themselves accordingly as regards action by them that would increase the levels of radioactive fallout. In the United States view, this paragraph would inject a most controversial issue of a political nature into the debate and an issue which could be more appropriately dealt with in the First Committee debate on nuclear weapons testing. The United States is concerned about the possibility that a

sharp political debate on radiation might adversely affect the work of UNSCEAR. Paragraph 3 of the United States draft, which expresses the belief that all member states have a responsibility and a duty concerning actions that have harmful biological consequences, is intended as a substitute for our first operative paragraph.

(c) The United States did not consider it practical to request from UNSCEAR an interim report on the increased level of radioactive fallout. Instead, UNSCEAR should be encouraged to complete its forthcoming comprehensive report.

3. I explained to Mr. Armstrong that the Canadian draft was being discussed with a number of Delegations in New York and that some changes had already been made. I referred to the revisions, contained in telegram 2166 of October 10 from the Canadian Delegation,† inviting the World Meteorological Organization to examine urgently the feasibility of extending its present meteorological reporting system to include measurements of atmospheric radioactivity. Although paragraph 9 of the United States draft suggests alternative wording, Mr. Armstrong had the impression that this part of the resolution did not give rise to any difficulty in Washington.

4. My understanding is that the Canadian Delegation has been consulting energetically with a number of delegations and that, as a result, some additional revisions to the original text have been proposed (telegrams 2177 and 2178 of October 11.)‡ While some of these changes tend to meet the objections raised by the United States, other paragraphs may still be considered objectionable, in particular the re-draft of paragraphs 1 and 4 (as designated in telegrams 2178). There may be some additional revision before the draft resolution is tabled. It seems to me that we shall have to leave the details to the Delegation, who will no doubt be consulting with you and with the Department as the matter develops.

5. Mr. Armstrong asked that the United States comments be brought to your attention. You may wish to take them into consideration when reacting to suggestions for revision received from the Delegation. The draft prepared by the United States seems too weak for our purposes, especially in view of the concern in Canada and elsewhere about the recent increase in radioactive fallout. However, we may be able to make some concessions to the United States viewpoint. This can best be left to our Delegation, who are keeping in touch with their United States colleagues in New York.

6. If you agree, you may wish to approve the attached telegram to the Canadian Delegation, informing them about the United States approach here.

N.A. ROBERTSON

194.

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-500

Ottawa, October 12, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Washington, NATO Paris, Geneva.

16TH UNGA: ITEM 24 – UNSCEAR REPORT

On October 11, Armstrong of the USA Embassy called on the Under-Secretary to express USA reservations about the Canadian draft resolution and to leave with us a USA draft which he understood had been given to you by USA delegation. USA objected mainly to the first

preambular paragraph, the use of “convinced” in the second preambular paragraph and to the first operative paragraph. Armstrong explained that the USA was worried about the possibility that a sharp political debate on the UNSCEAR report might not only upset the scientific work of UNSCEAR but would cut across the debate in the First Committee concerning the items on nuclear tests. The USA also considered it impractical to request from UNSCEAR an early interim report.

2. I assume that you have been discussing the draft with the USA delegation among others and that you are aware of USA preoccupations. They may be met by the suggested revisions contained in your telegram 2177 of October 11 which I have approved. It will probably be impossible, however, to remove all USA misgivings because some of them relate to interests which do not correspond to our own in this matter. For this reason, I consider the USA draft handed us by Armstrong too weak for Canadian purposes. I expect that you will be keeping in touch with USA opinion about the draft resolution as it develops in the next few days.

[H.C.] GREEN

195.

DEA/5475-GE-40

*Note du chef de la Direction des Nations Unies
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, United Nations Division,
to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], October 13, 1961

RADIATION RESOLUTION

The Delegation has reported that the draft resolution was submitted to the Secretariat today at 5:00 p.m. There were 19 co-sponsors as follows: Argentina, Austria, Bolivia, Brazil, Canada, Chile, Costa Rica, Denmark, Ecuador, Guatemala, Japan, Iran, New Zealand, Norway, Pakistan, Panama, Spain, Tunisia and Uruguay. The resolution will be United Nations Document A/SPC/L69. The following countries may add their names to the sponsorship during the week-end: Philippines, Ireland, Netherlands, Malaya and Sweden. Although the African states have been canvassed thoroughly, none has yet agreed to co-sponsor. In particular, Nigeria seemed primarily interested in its own proposal concerning target dates.

2. Late this afternoon, Senator Brooks held a press conference to distribute and explain the text of the resolution. The United Nations Document will appear in five languages tomorrow morning. The debate will begin at 3:00 p.m. on Monday and Canada is inscribed to speak first.

3. Czechoslovakia earlier today submitted a draft resolution (A/SPC/L68) containing three paragraphs: taking note of the report of UNSCEAR; welcoming the progress in its work; and urging it to complete its second comprehensive report in 1962. The Delegation estimate is that this Czech move will not adversely affect the Canadian initiative.

4. All the indications are that the United States, the United Kingdom and other Western powers are quite relaxed about the present text of our resolution. There are signs of wide-spread support for it.

G.S. MURRAY

196.

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], October 31, 1961

RESOLUTION ON THE EFFECTS OF ATOMIC RADIATION

The Canadian resolution on the hazards of atomic radiation having been adopted by the General Assembly will now be entering the implementing stage. While the proposal is no longer in Canadian hands, Canada through its membership in the United Nations Scientific Committee on the Effects of Atomic Radiation and its participation in the work of the World Meteorological Organization will have occasion to exert some influence on the course of action which is now expected to be taken on the resolution.

2. With particular reference to the implementation of Part II of the resolution requesting W.M.O. to consider the feasibility of extending its present meteorological reporting system to include the transmission of data on radioactivity, collected on a world-wide basis, we understand that the first steps will be as follows. The text of the resolution may now already have been transmitted by the United Nations Secretariat to the Secretary-General of W.M.O., who will then request in the very near future the Organization's Panel of experts on Radioactive Debris to carry out a complete evaluation of the feasibility of the General Assembly's recommendation. The panel will be required to carry out a full study of the synoptic reporting scheme in all its technical details seeking advice from U.N.S.C.E.A.R., and from the International Atomic Energy Agency on such questions as the type of instruments to be used to measure radioactivity, and measuring standards. In view of the complexity of this task it is important that the Panel be encouraged to start its work as soon as possible.

3. Following this study the Panel will make recommendations to the Executive Committee of W.M.O., based on its evaluation of the technical feasibility of the scheme. Assuming that the Panel will make a positive recommendation to the Executive Committee and unless there were concerted opposition to the scheme in the Executive Committee itself, member countries of W.M.O. would then be requested to undertake the monitoring of radioactivity in accordance with prescribed standards and transmit this information according to a predetermined timetable on the W.M.O. reporting network.

4. To facilitate the implementation of the scheme in underdeveloped countries, it would then probably be necessary for the more advanced member states of the Organization to offer to make available the instrumentation and technical advice required for monitoring radioactive fallout to countries not adequately equipped. At a later stage, it may thus be desirable for Canada to offer financial and technical assistance to countries which may be unable to accede to W.M.O.'s request because of financial considerations.

5. Canada is not represented on the W.M.O. Panel on Radioactive Debris, but Mr. McTaggart-Cowan, Director, Meteorological Services, Department of Transport, and Canadian representative in W.M.O., is a member of the Executive Committee. We have been discussing with Mr. McTaggart-Cowan the steps which Canada might take to ensure that the General Assembly's proposal will be given diligent and sympathetic consideration by the W.M.O. Panel of experts and the Executive Committee. As a first step we intend, if you agree, to authorize Mr. McTaggart-Cowan to write to the Secretary-General of W.M.O. and ask for his confirmation that the Panel on Radioactive Debris will soon be undertaking its study of the

proposal. Mr. McTaggart-Cowan has also offered to keep in close touch with his counterparts in the United States Weather Office to encourage them to play an active role in the Panel on Radioactive Debris to ensure that the General Assembly's proposal receives early and positive attention.

6. In addition, we will be instructing Canadian Missions in those friendly countries which have representatives on the Panel on Radioactive Debris as well as on the W.M.O. Executive Committee, to discuss with these officials the implementation of the synoptic reporting scheme with a view to stimulating their interest in and encouraging prompt and positive action on this proposal. We shall also keep Canadian Missions in New York and Geneva fully informed of subsequent developments to enable them to keep in touch with officials concerned with the implementation of the scheme in the United Nations and the W.M.O. Secretariats.⁹³

G. I[GNATIEFF]
for Under-Secretary of State
for External Affairs

197.

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], December 15, 1961

PROGRESS REPORT ON THE IMPLEMENTATION OF THE UNITED NATIONS
GENERAL ASSEMBLY'S PROPOSAL FOR A WORLD-WIDE SYNOPTIC
REPORTING SCHEME ON ATMOSPHERIC RADIOACTIVE LEVELS
UNDER THE WORLD METEOROLOGICAL ORGANIZATION

This memorandum reviews recent developments concerning the implementation of the proposal in the General Assembly's radiation resolution for the establishment of a world-wide synoptic reporting scheme on radioactive levels under the World Meteorological Organization, which have taken place since our last report to you on this subject.

2. Dr. P.D. McTaggart-Cowan, Director, Meteorological Branch, Department of Transport, and Permanent Canadian Representative on the Executive Committee of the World Meteorological Organization has been in constant communication with the Secretariat of the World Meteorological Organization's as well as with his United States colleague on the Organization's Executive Committee with a view to stimulating prompt and positive action on the study of the feasibility of the programme as called for in the General Assembly's resolution. The Secretariat of the World Meteorological Organization has already taken encouraging steps along these lines. A meeting has taken place in the latter part of November between officials of the Organization's Secretariat and of the Secretariats of United Nations Scientific Committee on the Effects of Atomic Radiation and the International Atomic Energy Agency as a result of which a course of action was set to ensure that an early start is made on the study of the proposal's technical feasibility.

3. On November 27, the Secretary-General of the World Meteorological Organization addressed a letter to all members of the Organization's Executive Committee outlining his plan

⁹³ Note marginale :/Marginal note:

OK. Push this ahead just as fast as possible. H.C. G[reen] 2/11

of action and requesting their comments. This plan calls for the early preparation by the Organization's Secretariat of a draft reporting scheme which will shortly be sent to the five members of the Organization's Panel of Experts on Atomic Energy (USA, Britain, France, The Soviet Union and India) and to the Presidents of the Organization's Technical Commissions, for their early comments. When these comments are received and a detailed plan for the scheme has been approved, the President of the Organization will decide in the light of comments received from the members of the Executive Committee on the further action required for the final approval and implementation of this scheme on behalf of the World Meteorological Organization.

4. The Canadian Representative on the Executive Committee has already replied to a letter dated November 27 from the Secretary-General of the Organization. Dr. McTaggart-Cowan has strongly endorsed the course of action proposed by the Secretariat of the Organization and supported the idea that the President of W.M.O. be empowered to decide on the early implementation of this scheme if the response he receives from members of the Executive Committee indicate a clear majority support for the plan. If on the other hand, the Executive Committee is divided on the feasibility of the proposal or if the preparation of the detailed plan by the Panel of Experts and the Technical Commission is delayed it will be necessary to wait until the next meeting of the Executive Committee scheduled for the Spring of 1962, to obtain a final decision on the proposal.

5. We have instructed Canadian Missions accredited to those countries which have nationals as members of the Executive Committee and the Panel of Experts of the Organization, to establish early contacts with these individuals to obtain their personal reaction to the General Assembly's proposal. As these individuals act in their personal rather than their official capacity in the World Meteorological Organization, it would be undesirable at this stage for Canada to make formal representations with their respective governments. This question however may have to be considered further depending on the results of the survey of opinion among individuals concerned which is now being undertaken by some fifteen of our missions abroad.

6. We shall report further on the progress of the action taken by the Secretariat of the World Meteorological Organization as well as on the results of the survey we have undertaken as soon as further significant developments occur.⁹⁴

N.A. R[OBERTSON]

⁹⁴ Note marginale :/Marginal note:
OK. H.C. G[reen]

SECTION G

FORCE D'URGENCE DES NATIONS UNIES
UNITED NATIONS EMERGENCY FORCE

198.

DEA/50366-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], November 9, 1961

UNEF – POLICY RE WITHDRAWAL

You may recall that since February 1960 we have been endeavouring to have an understanding with the U.N. Secretariat concerning the position of the U.N. Emergency Force in the Middle East in case of large scale hostilities. Our purpose in these discussions has been two-fold:

(a) to establish that in such a case the Force would not engage in combatant activities and that the U.N. Secretariat would have the responsibility of deciding whether a withdrawal would be warranted.

(b) to determine what plans, if any, have been prepared in case it is considered necessary to re-deploy or withdraw the Force.

2. In conversations with Mr. Bunche and Mr. Hammarskjöld, Mr. Ritchie was able to reach a satisfactory verbal understanding on point (a).⁹⁵ It was also established that plans for eventual withdrawal had been prepared by General Burns when he was Commander-in-Chief of the Force. These plans have been left, reportedly, with General Burns' successor. We do not know, however, whether General Gyani has considered them. On our instructions, Mr. Ritchie set forth the Canadian viewpoint in a formal letter to Mr. Hammarskjöld on January 5, 1961.† The late Secretary-General, however, had not sent any reply at the time of his death.

3. In the attached letter No. 791 of October 31, 1961,† our Ambassador in Cairo reports that neither the Chief of Staff of General Gyani nor the Commandant of the Canadian contingent at Gaza have any knowledge of plans for a withdrawal in case of an emergency. Mr. Ford does not anticipate any serious outbreak in the UNEF area in the near future, but he pointed out that the general feeling in Gaza was that the situation was somewhat more fluid than a few months ago and that there was always a danger of serious incidents occurring. Mr. Ford was told that in case of an emergency the situation of the RCAF at El Arish would be particularly difficult.

4. We have sent a copy of Mr. Ford's letter to our mission in New York with a request to take up the matter either with Mr. Bunche or the new Secretary-General as soon as Mr. Ritchie considers that an approach would be opportune. The appointment of a new Secretary-General would make it even more desirable to reach a formal understanding on the position of the Force, in case of an emergency. We realize, however, that it might not be possible for our

⁹⁵ Voir/See Volume 27, document 24.

mission to raise the matter in the midst of the current Session, especially since Mr. U. Thant has had little time to become acquainted with this matter.⁹⁶

N.A. R[OBERTSON]

199.

DEA/50366-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 DL-1675

Ottawa, December 12, 1961

TOP SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 3032 of Nov 30/61. †

UNEF – POLICY RE WITHDRAWAL

CCOS has suggested that following points be discussed with General Gyani.

(a) Remembering the strength of UNEF, CCOS feel that any plan which calls for the defence of the UNWRA depots would have little chance of success against the type of force likely to be employed by either side.

(b) The majority of the UNEF base camps are located on the main roads. For this reason, they will most likely be involved in the early stages in any fighting. Again, because of the size of our force, the successful defence of these bases is a questionable operation. CCOS feel that consideration should therefore be given to evacuation of the bases very soon after hostilities have started with personnel being directed to assembly points.

(c) In deciding how to evacuate troops after the outbreak of hostilities, it should be remembered that the airfields at El Arish and Gaza may not be useable and air evacuation, from those fields at least, may not be feasible. Consideration should therefore be given to evacuation by air from alternative fields or by sea over the beaches.

2. The above points are based on the understanding that UNEF was only intended to secure and supervise the cessation of hostilities and was in no sense to be considered a buffer force between the two belligerents if active operations commenced. The force is therefore only able to defend itself against small marauding groups.

3. You may wish to keep in mind points raised in our telegram DL-532 of May 18, 1960⁹⁷ and in your letter of January 5, 1961 to the Secretary-General.

[N.A.] ROBERTSON

⁹⁶ Note marginales :/Marginal notes:

Have this raised in New York. H. G[reen]

Now – not to wait until current session over. R. C[ampbell] 11/11

⁹⁷ Voir/See Volume 27, document 123.

200.

DEA/50366-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 3391

New York, December 20, 1961

TOP SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Let DL-528 Nov 16† and your Tel DL-1675 Dec 12.

Repeat for Information: CCOS from Ottawa.

UNEF – POLICY RE WITHDRAWAL

Accompanied by Barton and Speedie I saw General Gyani yesterday. We had a useful and reassuring discussion which I think covered all points which have been concerning us.

2. Gyani started by confirming our understanding of position of UNEF as covered in discussion with Mr. Hammarskjöld in June 1960 (our telegram 858 June 28, 1960 refers).⁹⁸ Gyani agreed that (a) force is intended only to secure and supervise cessation of hostilities and can therefore in no repeat no circumstances be considered as capable of undertaking an active combat role; (b) withdrawal of force should be considered only in event of large-scale hostilities which render it incapable of discharging functions assigned to it without undue physical risk; (c) ultimate responsibility for any decision to withdraw or to curtail functions of force either because of large-scale hostilities or of changing conditions rests with UN acting through Security Council or General Assembly; and (d) as long as force remains in being UN are primarily responsible for its safety.

3. Gyani also agreed that (a) there can be no repeat no question of unilateral withdrawal of components of force in any emergency involving force; and (b) in event of large-scale hostilities Secretary-General would take necessary measures for safety of force through consultation with UNEF Advisory Committee and, if necessary advise Security Council or General Assembly on need for withdrawal or otherwise.

4. Gyani said that UNEF can carry out its functions only with cooperation and assistance of Egypt and Israel and that in event of hostilities UNEF could not repeat not stop belligerents by military intervention. On other hand any sign from UNEF that it was contemplating withdrawal as a result of heightened tension between Israel and Egypt might precipitate hostilities. For this reason preliminary withdrawal measures that were obvious to potential belligerents must be avoided until last moment.

5. It is General Gyani's opinion that if hostilities did break out any attempt to withdraw UNEF during initial moves of belligerents would involve grave risks. With exception of RCAF detachment at El Arish he considered that force is not repeat not in a likely battle area and that it would be better for his troops to "sit it out" until battle had moved one way or other rather than to take risk of moving through a confused battle area.

6. His plan of action in event of hostilities takes into account requirements of accommodation, communications and water for force. He envisages some five areas for concentration. These include Rafah and "keeps" for non combatant personnel. He has

⁹⁸ Il semble y avoir ici erreur concernant le télégramme 855 de Permis New York daté du 2 juillet 1960. Voir Volume 27, document 124.

This seems to be an error for Permis New York telegram 855 of July 2, 1960. See Volume 27, document 124.

approximately five battalions available and these would be deployed as follows: (a) two battalions for defence of vital points; (b) one battalion for defence of Rafah installations; (c) one and one half battalions in camps as a reserve force. He has eight armoured cars and these would be employed in a liaison role and for communications with belligerents. Because of their location and number he does not repeat not consider that UNRWA dumps could be defended.

7. Since El Arish is a military target area he envisages moving RCAF detachment to Beirut at outset of hostilities. If air field at Gaza is useable air detachment could be used between Beirut and Gaza for supply purposes and if necessary evacuation. Otherwise in event that evacuation is necessary reliance would have to be placed on withdrawal of force by sea. Only source of shipping for this purpose would seem to be USN 6th fleet. Beaches have been surveyed and this information could be made available to beach landing force as soon as required.

8. A coordinated plan and operation order taking into account various contingencies is now in existence at UNEF headquarters. Stocks or wire emergency food supplies petrol etc. are on hand and additional water containers have been ordered.

9. General Gyani said he felt that so long as he kept his force concentrated and did not repeat not get in way of opposing forces there should not repeat not be too much danger of being caught up in military action. He was more concerned about danger of uncontrolled mobs. He said that original plan had called for concentration of whole force at Rafah but that he had come to conclusion that there was insufficient water supplies available there for whole force and for this reason he modified plan slightly to provide for establishment of "keeps" referred to above.

10. Gyani said that morale of UNEF forces was high and he was obviously very proud of his command. He seemed quite confident that they could look after themselves in event of trouble.

[C.S.A.] RITCHIE

SECTION H

OFFICE DE SECOURS ET DE TRAVAUX DES NATIONS UNIES
POUR LES RÉFUGIÉS DE PALESTINE
UNITED NATIONS RELIEF AND WORKS AGENCY
FOR PALESTINE REFUGEES

201.

DEA/10170-C-40

*Compte rendu de la réunion des représentants du Ministère
avec le directeur de l'Office de secours et de travaux des Nations Unies*

*Record of Meeting of Departmental Officials
with Director of United Nations Relief and Works Agency*

UNCLASSIFIED

[Ottawa], March 23, 1961

Present were:

Mr. Glazebrook, Acting Under-Secretary of State for External Affairs, Chairman,
Mr. S. Pollock, Department of Finance,
Mr. D.C. Bignell, Department of Finance,
Mr. R. Hickman, Department of Trade and Commerce,
Mr. L.A.D. Stephens, Department of External Affairs,
Mr. G.G. Riddell, Department of External Affairs,
Mr. T.H.W. Read, Department of External Affairs,
Mr. C. Roquet, Department of External Affairs,

Mr. S.C.H. Nutting, Department of External Affairs,
Visitors:

Dr. John H. Davis, Director of UNRWA,
Mr. Sherwood Moe, UNRWA Liaison Officer, New York.

2. On the invitation of the Chairman, Dr. Davis opened with a statement dealing at length with UNRWA's programme for the education and training of young refugees.

3. He described the basis for UNRWA's decision to continue relief at the 1960 level in order to free his funds for vocational and technical education. In a sense this meant concentrating on helping young people while ignoring old people and adults. Natural increases in the refugee population will require an increase in spending on relief of about \$4 million over the next three years. The planned increase in secondary education will cost an additional \$4 million over the same period. An extra \$8 million, however, will go towards the advancement of young people, in the form of increased facilities and a doubling of the number of university scholarships. The small loan programme will continue but will be limited by the amount of funds not otherwise committed.

3. Among the projects recently completed, or in the course of construction, two owe their establishment to the shipments of Canadian wheat in connection with World Refugee Year which have allowed UNRWA to divert budgetary funds to training programmes. The first is the Vocational Training Centre for Boys which will open in Lebanon in September 1961. The remainder of the Canadian gift has been devoted to the Teacher Training Center for girls, which, combined with a Vocational Training Centre will open in Jordan in 1962.

4. Dr. Davis informed the meeting that the construction part of his programme was going ahead according to schedule. He explained, however, that in order to keep up the rate of progress he had to take what he regarded as a justifiable risk. UNRWA income necessarily lagged behind the expanded programme and he had decided to reduce his working capital and reserve funds to a minimum in order to provide the money for construction.

5. Dr. Davis considered that UNRWA's prestige and the acceptance of the Agency by the host countries had improved. Although the training programme provides only an oblique solution to the refugee problem, UNRWA's main importance was the stability it helped maintain in the area. A political solution to the problem of the refugees could not be forced on the area – and indeed was not necessarily the sole answer. A solution could be obtained only by the play of long term forces. These could operate best in an atmosphere of stability and this it was UNRWA's aim to provide. He mentioned the improvement that would necessarily occur in the acceptability of the refugees in the course of a considerable improvement in economic development in the Middle East.

6. In answer to questions put to him following his statement Dr. Davis explained why it was essential to go ahead with vocational and technical training of youths. He pointed out the super-saturation of the agricultural and handskill labour market and recited the complete success that UNRWA graduates had had in obtaining jobs both in the area and as far off as Libya (which had received 200 teachers trained by UNRWA). He was certain that 2,500 UNRWA graduates, his annual target figure, could be absorbed and he referred in particular to the possibilities within Syria's economic development programme.

7. UNESCO's assistance was valuable since it created such a high standard of training. This was an important influence on the host countries as well as increasing the acceptability of UNRWA graduates. Insofar as the possibility of UN Technical Assistance supplanting UNRWA's training, however, the problem was that aid given by the UN to the host countries would not filter past the needs of the people of these countries: the refugees would have lowest priority and would get nothing.

8. In referring to national attitudes towards UNRWA, Dr. Davis mentioned the reluctance of Lebanon to accept any refugees, even if employment were available. Jordan was somewhat half-hearted, but Syria was the best country in this way. Contrary to indications that have been given, refugees could and did leave the Gaza strip.

9. He also devoted some time to countering the thought that an enforced closing down of UNRWA would solve the refugee problem and to explaining why emigration to Europe or the Americas was not a feasible proposition. On the first his thesis was that not only governments, but also the people of the Arab states were determined never to recognize the continuance of Israel as an independent state. This is an important factor in the Arab refusal to help eliminate the refugee problem by absorbing the refugees and the refusal itself goes far deeper than governments in that it springs from an attitude of the peoples concerned. As for emigration, Dr. Davis believes that the old people and the young adults provide virtually insuperable problems of rehabilitation. The trained youths although offering adaptability, were needed in the Middle East. Moreover, mainly the refugees were Moslems and naturally preferred to live in Moslem communities.

10. With regard to the rationalization of the relief rolls Dr. Davis described the family or tribal justice which prevented malnutrition even though 125,000 refugee children were not on the rolls. He said that 40,000 names had been taken off the rolls in the last ten years, but that an additional 90,000 names should be removed. Nevertheless, UNRWA calculated that a full revision of the list would increase the number of refugees by a net figure of 30,000 to 40,000. He commented on a law under consideration by Jordan to make illegal the holding of refugee cards by third persons. This, if it is passed, will make it possible for UNRWA to take effective action against trafficking in these cards.

11. Dr. Davis, referring to Canada's assistance to UNRWA, had said that UNRWA could use a donation from Canada like that given last year (i.e. \$500,000 in cash, \$1.5 million special grant in the form of wheat flour and \$1 million in wheat flour in connection with World Refugee Year). In closing, he expressed his gratitude for his warm welcome, and reiterated his optimism regarding the usefulness of UNRWA's programme as a factor creating stability in the Middle East.

202.

DEA/10170-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], August 21, 1961

USE BY UNRWA OF CANADIAN CONTRIBUTION IN
CONNEXION WITH WORLD REFUGEE YEAR

In telegram 94 of August 8, 1961, of which a copy is attached for your information,† the Canadian Chargé d'Affaires in Lebanon has informed us that the second vocational training centre to be paid for by the Canadian gift to UNRWA in connexion with World Refugee Year will be located in Homs, Syria.

2. The cornerstone of the first "Canadian" centre, Sibliin Vocational Training Centre for men near Sidon, Lebanon, was laid on June 15. We have grounds for believing that construction of the centre at Homs has already begun. We have no word, however, concerning the Vocational

and Teacher Training Centre for women in Jordan, which is to be the third project, the costs of which will be shared with the United Kingdom.

3. In letting the Embassy in Beirut know that Homs had been chosen as the site for the second centre, the Director of UNRWA also said that he had received an unexpected gift of \$500,000 from the United States of America. Since the USA has so far contributed no "bricks and mortar" to UNRWA's construction programme Dr. Davis asked if Canada would agree to allow the United States a 50 percent share in the Centre at Homs. This would mean that one-half of the Canadian gift earmarked for this centre would be directed towards the general fund, as would, of course, 50 percent of the US contribution. Dr. Davis said that if there were any objection whatsoever on the part of Canada he would withdraw his suggestion and consign the US contribution to the general fund.

4. It occurs to me that Dr. Davis' query raises once again the problem of obtaining credit for the gift made by Canada. This problem was brought to your attention in a memorandum of September 9, 1960, when it appeared likely that the credit for Sibliin Vocational Training Centre might be shared with Germany from which a relatively minor contribution had been obtained. At that time, while approving the idea of a "Canadian" centre in Syria, you agreed with the recommendation that the Canadian contribution should bear a Canadian label.

5. The fact that the Canadian gift to UNRWA in connection with World Refugee Year was made without conditions as to its use suggests that Dr. Davis is free to dispose of the counterpart funds produced by the million dollars worth of wheat in the best interests of UNRWA, as he sees them. Although Sibliin Vocational Training Centre cannot be identified as Canadian through its name, the UNRWA representative at the laying of the cornerstone took pains to announce the Canadian identity of the school and Dr. Davis has said that a plaque will be placed within the school to indicate that the Canadian Government and private citizens gave the buildings and equipment.

6. It would seem to me that we cannot hope for superior treatment in regard to the school at Homs and, following this line of thought, there would seem to be little point in offering any objection to sharing the school with the United States.⁹⁹ In any case all the centres will be joint ventures in the sense that the land is being provided by the government or by private individuals in the country concerned and the school in Jordan, yet to be built, will be a joint venture with the United Kingdom.

7. If you agree, therefore, I shall see that Dr. Davis is told that we accept his suggestion but that in the dedication of the school at Homs emphasis must be placed on the humanitarian interest in the welfare of the refugees shared by Canada and the United States, rather than on any aspect of political cooperation or joint political interest in the problems of the Middle East. Further, I think we might ask Dr. Davis to devote the unspent portion of the Canadian gift to the operating expenses of the three "Canadian" centres.

N.A. R[OBERTSON]

⁹⁹ Note marginale :/Marginal note:

No – original plan should be carried out and the wire indicates clearly that Dr. Davis will do this.
H.C. G[reen] 24/8

203.

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. 340-61

[Ottawa], September 7, 1961

CONFIDENTIAL

CANADIAN CONTRIBUTION TO THE UNITED NATIONS RELIEF
AND WORKS AGENCY FOR PALESTINE REFUGEES, 1962

At the present time, there appears to be no likelihood of a political solution for the problem of the Palestine refugees. In view of this, it is the present policy of the Canadian Government to support UNRWA fully in the discharge of its humanitarian task of caring for more than one million Arab refugees. The mandate of the Agency runs until June 30, 1963.

2. During the course of the current mandate of the Agency, the General Assembly has approved a plan put forward by the director of the Agency, Dr. John H. Davis, to increase education and training for the Palestine refugees and thus concentrate the meagre resources of the Agency on the younger refugees, who would otherwise face a life without opportunity or hope.

3. For some years past, the Canadian regular contribution to the Agency has been \$500,000 in cash. At a time when the Agency is implementing a particularly useful programme of the expansion of the education and vocational training facilities, a cut in the Canadian cash contribution would have serious consequences on the programme, as well as on the attitudes of the Arab hosts governments and on the other major donors. Under these circumstances, the cash contribution of \$500,000 should be maintained in 1962.

4. During the past four years, since 1958, an amount of \$1,500,000 worth of Canadian wheat flour has been contributed on an *ad hoc* basis each year. In 1960, which was designated by the United Nations as World Refugee Year, the Canadian Government made another special contribution of wheat flour in the amount of \$1,000,000. This gift of flour generated counterpart funds which were used in the construction of vocational training schools for the refugees. This annual gift of flour has in the past been the subject of a separate memorandum to the Cabinet which has been put forward during the first half of the year in which the contribution was made. There are a number of reasons why it would seem desirable for the Canadian contribution of \$1,500,000 worth of wheat flour to be pledged at the same time as the annual cash contribution; that is to say, at the time of the UNRWA Pledging Conference which takes place during the course of the United Nations General Assembly. This year the Pledging Conference is to be held in early November.

5. The reasons for making this recommendation are the following:

(a) The Agency would be informed at an early date, in good time for their subsequent planning, of a contribution which has in the past been approved in final form only late in the actual year of contribution, thus causing difficulties for the planning of combined purchases.

(b) The Agency has recently been approached by the United States Government which has offered to contribute all of UNRWA's flour requirements as a charge against its regular contribution. So far, the Agency has been able to reply that the Canadian Government has, in the past, given an annual contribution of flour and the Agency would not wish to accept the United States offer without the knowledge that Canada was no longer in a position to supply the flour. If the United States' contribution included all the flour, this would result in a serious

loss of revenue to the Agency. At the present time, the Canadian contribution generates a matching contribution from the United States in the ratio of 30 percent to 70 percent. Furthermore, if the United States would fulfill this gap of \$1.5 million worth of flour, the Agency would lose that amount also in cash.

(c) If a Canadian contribution of flour could no longer be accepted by the Agency, in view of their requirements being met by the United States, it would be very much more difficult for Canada to justify a contribution of \$2 million in cash, since the flour is available in surplus and since the Agency's requirement is for flour of a relatively low grade, No. 5, which is not as readily saleable as the better grades.

(d) A reduction of the Canadian contribution to the level of \$500,000 cash would be embarrassing for our relations with the Arab host governments, since it would be taken as a withdrawal of support from the refugees and, by implication, from the Arab position in the Palestine problem. It would be even more embarrassing for UNRWA. Not only would the contribution of the United States be automatically reduced, but the apparent withdrawal of Canadian support from UNRWA would add to the strength of the arguments current in contributing states to the effect that general support for UNRWA be withdrawn, in order that the Arab host governments may be compelled to bear the full financial responsibility for the refugees. On the other hand, pledging the \$1,500,000 of flour, together with our cash contribution, would be a welcome indication to UNRWA, to the Arab countries, and to other contributing countries of Canada's continued humanitarian concern for the Palestine refugees.

(e) The report of the director of UNRWA to be submitted to the 16th Session of the General Assembly contains an estimate that the shortfall in contributions for 1961 will be higher than the estimated shortfall for 1960, which was \$4.7 million. As indicated above, the Canadian contribution of \$2 million a year in cash and in kind is probably at its highest possible level at this time. A commitment to the \$2 million gift would not perhaps forestall pressure to increase the Canadian contribution, in view of the serious financial difficulties which will face the Agency this year and next.

Recommendation

It is therefore recommended that a contribution of \$500,000 in cash and \$1,500,000 in wheat flour be approved, subject to the appropriation of funds by Parliament, and that provision be made for their inclusion in the main estimates of the Department of External Affairs for 1962-63.

I further recommend that a pledge in the above amount be announced by the Canadian representative to the UNRWA Pledging Conference to be held during the course of the forthcoming session of the General Assembly of the United Nations.

H.C. GREEN

204.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], October 11, 1961

Present:

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green)
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),

The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale)
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Mr. Watters).

...

CANADIAN CONTRIBUTION TO THE UNITED NATIONS RELIEF
 AND WORKS AGENCY FOR PALESTINE REFUGEES, 1962

14. *The Secretary of State for External Affairs* said that since there appeared to be no likelihood of a political solution for the problem of Palestine refugees, he was recommending that Canada maintain its contribution at about the same level as in previous years, i.e. \$500,000 in cash and \$1,500,000 in wheat flour.

An explanatory memorandum had been circulated, (Minister's memorandum, Sept. 7 – Cab. Doc. 340-61).

15. *The Prime Minister* wondered whether, in the light of the financial situation which had been described by the Minister of Finance recently, Canada should continue such contributions.

16. *Mr. Green* said that one hopeful sign for the future of these refugees was the training being given to the younger ones with a view to fitting them for an independent life of their own.

17. *The Cabinet* agreed that the Secretary of State for External Affairs should produce for the information of the Cabinet a list of other contributors to the United Nations Relief and Works Agency for Palestine Refugees, and the amounts of their contributions.

...

205.

DEA/10170-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], November 8, 1961

CANADIAN CONTRIBUTION TO UNRWA FOR 1962

In the Memorandum to Cabinet on this subject, it was recommended that Cabinet approve at the same time Canada's regular cash contribution of \$500,000 and an *ad hoc* contribution of \$1.5 million in wheat flour which it has made for the past four years. In the past these two contributions were dealt with separately, the cash contribution being decided in September for

inclusion in the main departmental estimates and the flour contribution being decided in the first half of the year in which the contribution was made.

2. You have asked whether there would be any serious consequences if the Government were to defer a decision on its 1962 contribution to UNRWA until sometime next year. One of the problems in delaying the present submission to Cabinet is not of direct concern to the Canadian Government. This is the problem presented to UNRWA of organizing its "pipeline" to ensure continuous receipt of flour during the year so that its reserve stock position does not fluctuate too widely. As you will recall, a virtual crisis developed in UNRWA's "pipeline" management earlier this year when the decision regarding the Canadian contribution was delayed until UNRWA doubted that the even flow of flour could be maintained.

3. UNRWA could, of course, avoid these uncertainties by relying entirely on the United States to meet its flour requirements. As noted in the Memorandum to Cabinet of September 7, the United States Government has offered to contribute all of UNRWA's flour requirements as a charge against its regular contribution. From the Agency's point of view, this would not be desirable since it would result in a serious loss of revenue. If the United States were to provide the \$1.5 million worth of flour which has been contributed by Canada in the past, not only would the Agency lose this amount in the form of a Canadian contribution, but it would also lose funds which the United States provides on a 30:70 matching basis. For these reasons, the Agency has so far put off the United States' offer with the argument that the Canadian Government has in the past made an annual contribution of flour and that unless Canada was no longer in a position to supply the flour, the Agency would not wish to accept the offer.

4. There are, of course, other considerations in support of the recommendation that both cash and kind contributions be decided at the same time and announced together at the UNRWA Pledging Conference; and these are contained in the Memorandum to Cabinet.

5. From the Department's point of view, there is some urgency in obtaining an early Cabinet decision on these contributions. The main estimates are now before the Treasury Board and provision has been made for contributions to UNRWA, subject to Cabinet approval. The Department must, therefore, make an immediate application to Cabinet for approval of the cash contribution at least, unless we are to break with the procedure of past years and in doing so leave ourselves open to suspicion that Canadian support for UNRWA is dwindling. This will undoubtedly be the inference drawn should the Canadian Delegation be unable to make some sort of announcement at the 1962 Pledging Conference for UNRWA which has now been set for November 17. The approval of the cash contribution would indicate the continuance of Canada's interest in UNRWA. The approval of the wheat flour contribution at the same time would have the added advantage of indicating Canada's keen interest in the educational and vocational training programme of UNRWA which seems to benefit particularly from our wheat flour contribution.¹⁰⁰

N.A. R[OBERTSON]

¹⁰⁰Notes marginales :/Marginal notes:

OK. H.C. G[reen]

Have PM bring up in SSEA's absence. R. C[ampbell] 10/11

Phoned Murray UN Division from Toronto to arrange

1. placing on next Cabinet agenda

2. request through HBR to have PM handle in Cabinet in SSEA's absence

3. memo for PM for background

R. C[ampbell] 10/11

206.

DEA/10170-C-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], November 11, 1961

CANADIAN CONTRIBUTION TO UNRWA FOR 1962

The date of the Pledging Conference for UNRWA has now been set for Friday, November 17,¹⁰¹ and I understand that Cabinet may give consideration to the question of a Canadian contribution at its next meeting. As the Secretary of State for External Affairs will be away in New York during the week, I thought you might wish to have the attached statement of governmental contributions to UNRWA in 1961 as well as a statement of Canada's contributions to UNRWA since its establishment in 1950.

2. In the Memorandum to Cabinet of September 7 on this subject, it was recommended that Cabinet approve Canada's regular cash contribution of \$500,000 and an *ad hoc* contribution of \$1.5 million in wheat flour which it has made for the past four years.¹⁰² In the past, these two contributions were dealt with separately, the cash contribution being decided in September for inclusion in the main estimates of the Department of External Affairs and the flour contribution being decided in the first half of the year in which the contribution was made. (While Cabinet's decision of June 16, 1961, covered both the cash and flour contributions for 1961, the cash contribution had in fact been approved earlier, on September 16, 1960.)

3. Cabinet decision on the cash contribution at least should be taken now unless we are to break with the procedure of past years and in so doing leave ourselves open to suspicion that Canadian support for UNRWA is dwindling. If the Canadian Delegation is unable to make some sort of announcement at the 1962 Pledging Conference on December 6, this may be the inference drawn.

4. The Minister's decision to include the flour contribution with the cash contribution this year was based partly on the desire to present to Cabinet a consolidated recommendation which would provide a complete picture of the Canadian contribution to this Agency, and partly on the desire to assist UNRWA in its planning of flour shipments.

5. Each year UNRWA faces the problem of organizing its "pipeline" to ensure continuous receipt of flour during the year so that its reserve stock position does not fluctuate too widely. Last year, a virtual crisis developed in UNRWA's "pipeline" management when Canada's decision regarding its flour contribution was so delayed that UNRWA doubted that the even flow of flour could be maintained.

6. As noted in the Memorandum to Cabinet, the United States has offered to provide all of UNRWA's flour requirements as a charge against its regular contribution. While acceptance of this offer would eliminate past uncertainties, the Agency would not wish to take up the United States offer unless and until it is known whether or not Canada is in a position to supply flour which it has contributed in the past.

¹⁰¹ Note marginale :/Marginal note:
Postponed until Dec. 6/61 [Ross Campbell]

¹⁰² Note marginale :/Marginal note:
\$500,000 cash and \$500,000 wheat flour approved by Cabinet 30/11/61. R. C[ampbell]

7. The approval of the wheat flour contribution at the same time as the cash contribution would, therefore, be of considerable benefit to the Agency. It would have the added advantage of indicating Canada's keen interest in the educational and vocational training programme of UNRWA which seems to benefit particularly from our wheat flour contributions.

N.A. R[OBERTSON]

2^e PARTIE/PART 2

ACCORD GÉNÉRAL SUR LES TARIFFS DOUANIERS ET LE COMMERCE :
CONFÉRENCE TARIFAIRE ET SÉRIE DILLON
GENERAL AGREEMENT ON TARIFFS AND TRADE:
TARIFF CONFERENCE AND DILLON ROUND

207.

DEA/12447-2-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence tarifaire du GATT*

*Secretary of State for External Affairs
to Delegation to GATT Tariff Conference*

TELEGRAM ET-15

Ottawa, January 4, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1654 of Dec 12.¹⁰³

Repeat for Information: Washington, Brussels, Bonn, NATO Paris, Paris.

E.E.C. AGRICULTURAL POLICY – TARIFF NEGOTIATIONS

We note that Mansholt's view, in effect, has been that a satisfactory tariff solution to the problem of access to the E.E.C. for outside exporters may not repeat not be feasible at this time, due particularly to the position of Germany. Mansholt thus has considered that it may be necessary to find an interim formula, along the lines described in paragraph 7 of your telegram of December 12.

2. We agree that the Commission should come forward with an offer which could serve as the basis of fruitful negotiations. You will doubtless wish to test E.E.C. position fully, to ascertain whether a satisfactory solution along the lines of a reasonable tariff, or a reasonable system of levies, may not repeat not be attained.

3. If such a satisfactory solution is not repeat not in fact attainable, we would not repeat not preclude consideration of the kind of interim solution suggested by Mansholt, with the proviso which you have made (your paragraph 7). If necessary, we are prepared to consider a proposal for a minimum commitment to purchase for a period of years, coupled with a commitment by the Six at the end of the period to negotiate the maximum protection at a level such as to provide access on terms permitting maintenance and growth of trade, under conditions of competition between imported and home produced products.

4. You will no doubt wish to keep in close touch with USA representatives as well as other exporting countries on this matter, since USA attitude may have a determining influence on position of the Six. We have had few recent indications of their thinking, although we

¹⁰³ Voir/See Volume 27, document 157.

understand their initial reaction to Mansholt suggestion was rather cool. At the same time, we are not repeat not aware that USA has formally rejected current negotiating offer of Six. Our Embassy in Washington may be in a position to furnish up to date information on USA attitude and their assessment of the prospects for a satisfactory settlement.

5. If you think it worthwhile at this stage, we could make a more detailed analysis of the Mansholt proposal and of the manner in which it could be implemented. Grateful for your advice on this point, which depends on your assessment of prospects.

6. New Zealand representative has shown us a copy of a telegram from their Geneva Delegation reporting on meeting called by Wyndham-White on December 20, at which he outlined to New Zealand, Australian and Canadian representatives, his views on a settlement through the use of tariff quotas. (From your reference telegram, Mansholt view earlier was that tariff quotas could not repeat not be considered.) As we understand it, Wyndham-White's formula could be used both for an interim and for a more definitive solution.

208.

DEA/14052-8-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 19

[Geneva], January 20, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 16 Jan 19.†

Repeat for Information: Paris, NATO Paris, London, Washington, Bonn, Brussels, Rome, Hague, T&C, Finance, Agriculture, PCO Ottawa from Ottawa.

ARTICLE XXIV:6 RENEGOTIATIONS – REPRESENTATIONS
IN NATIONAL CAPITALS

Following is text of note which subject to your comments we would recommend be presented by our ambassadors in EEC capitals. Since the Article III Committee is scheduled to meet on Tuesday January 24 and Wednesday January 25, these representations should, if possible, be made on Tuesday. We would suggest that the Ambassador in Brussels, in addition to presenting this note to the Belgian Foreign Minister, should also present it (with certain obvious drafting changes) to the Chairman of the EEC Council of Ministers. In addition Brussels may wish to pass copies to appropriate commission's officials and to members of the Article III Committee. Text begins

The Ambassador of Canada presents his compliments to the Minister of Foreign Affairs of ___ and on instructions from Canadian Government has the honour to refer to the current tariff renegotiations in Geneva under Article XXIV:6 of the General Agreement on Tariffs and Trade, and to the forthcoming January 30 meeting of the Council of Ministers of the European Economic Community. It is understood that at this meeting consideration will be given to the question of additional and improved offers which might be made by the community with a view to securing a satisfactory settlement of these renegotiations.

The present renegotiations under Article XXIV:6 of the GATT have as their objective the maintenance between the European Economic Community and other Contracting Parties to the General Agreement of a general level of reciprocal and mutually advantageous trade concessions no repeat no less favourable than those negotiated previously between such Contracting Parties and the Member Countries of the Community.

Canada is an important and traditional trade partner of the six EEC countries, and in recent years the trade has greatly expanded in both directions. This growing trade reinforces the close political and defence links which bind our countries. It is of great importance to the continuations of satisfactory relations between Canada and the countries of the Community that in the future, as in the past, trade should serve as a positive and cohesive force.

The proposed Common Tariff of the EEC provides for increased rates of duty on products of great importance in Canada's trade the tariffs on which were previously bound to Canada by one or more members of the Community in return for concessions in the Canadian tariff bound to them. The Canadian Government is confident that these member countries and the Community will wish to fulfill their responsibilities by offering adequate concessions to avoid impairment of Canada's contractual rights.

Since September 1 the Canadian Delegation in Geneva has reviewed with representatives of the Community the EEC's offers to bind some positions in the Common Tariff, in settlement of the renegotiations under Article XXIV:6. In these discussions the Canadian Delegation has drawn attention to the inadequacy of the Community's offers so far as Canada is concerned. In the agricultural sector, accounting for over 40 percent of Canada's exports to the EEC, few meaningful offers have been made. In the field of raw materials the EEC has offered to bind tariffs on a number of items at rates which are unduly high relative to the terms of access previously enjoyed by Canadian exports and which would represent increased barriers to Canada's trade. Similar considerations apply in respect of a number of industrial items.

Canada's exports to the community are made up of a narrow range of products. It is the level of the tariff for these which is of critical importance, the offer of lower tariffs for other products or of additional bindings which would not result in increased Canadian trade cannot adequately compensate for the upward movement of tariffs of interest to Canada.

In an aide mémoire dated December 6, 1960 the Canadian Delegation in Geneva summarized the views it had previously expressed to the representatives of the Community concerning the inadequacy of the offer made by the EEC and indicated those priority items in respect of which it was considered imperative that this offer be materially improved. In this aide mémoire it was made clear that any settlement with Canada must comprise satisfactory arrangements for both agricultural and industrial items. Further, for many important items tariff reductions as well as tariff bindings would be essential.

The Geneva Tariff Conference has now been in session for nearly five months and little or no progress has been made towards a satisfactory settlement of the Article XXIV:6 renegotiations. Such a settlement will have an important bearing on the proposed multilateral tariff negotiations, for and Canada and no doubt for other countries on the maintenance of satisfactory trade relations between Canada and the Community.

The Ambassador of Canada is confident that at the forthcoming meeting of the EEC Council of Ministers the representative of ___ will take fully into account the views of the Government of Canada as expressed in this note, and in the aide mémoire of December 6, and endeavour to ensure that the Community will make substantially improved offers in both the agricultural and industrial sectors which would hold the promise of a satisfactory settlement of the Article XXIV:6 renegotiations with Canada.

209.

DEA/14052-8-1-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique,
l'ambassadeur en République fédérale de l'Allemagne,
l'ambassadeur au Pays-Bas, l'ambassadeur en France, l'ambassadeur en Italie*

*Secretary of State for External Affairs
to Ambassador in Belgium, Ambassador in Federal Republic of Germany,
Ambassador in the Netherlands, Ambassador in France, Ambassador in Italy*

TELEGRAM E-218

Ottawa, January 23, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Tariff Delegation Tel 19 Jan 20, your Tel 56 Jan 24, † our Tel 210 Jan 23. †

Repeat for Information: Tariff Delegation, London, Washington, NATO Paris.

ARTICLE XXIV:6 RENEGOTIATIONS – REPRESENTATIONS TO EEC

Please present note immediately in form suggested by Tariff Delegation subject to minor amendments indicated below, to appropriate ministers in EEC capitals, to the Chairman of the EEC Council of Ministers, and to the EEC Commission. The Ambassador in Brussels might also wish to pass copies to members of the Article III Committee.

2. In view of rather different problems which concerns Canada in the renegotiations with the Six, as reflected in our note, we have decided that our representations should be made independently, and that it would be undesirable to have them appear as part of a co-ordinated approach with the UK. Accordingly you need not consult with UK missions regarding the delivery of this note.

3. The following are amendments to the text contained in Tariff Delegation telegram 19 of January 20:

Paragraph 3 - Delete the word “many” in the first sentence before the words “products of great importance.” Last sentence, of same paragraph, delete the words “full and” and substitute “concessions to avoid” for “compensation for any.”

Paragraph 4 - Third sentence - Delete the words “or acceptable.” The end of the sentence would then read simply “few meaningful offers have been made.”

Finally, the last sentence of penultimate paragraph should be changed to read as follows: “Such a settlement will have an important bearing on the proposed multilateral tariff negotiations for Canada and no doubt for other countries and on the maintenance of satisfactory trade relations between Canada and the Community.”

4. *To London*: You may inform UK authorities that we are going ahead immediately with representations to EEC in hope of influencing Article III Committee discussions. You may also show them copy of our note. In return we would appreciate receiving a copy of the UK note, if the UK decide to go ahead. We are informing Earncliffe.

5. *To Washington*: Please inform appropriate USA officials of our decision to make representations to the Six and to the Chairman of the EEC Council in advance of the January EEC Council meeting. You should also express our hope that the USA will also take steps promptly to inform the Six that their current offers in the Article XXIV:6 renegotiations in Geneva are inadequate.

210.

DEA/14052-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 175

[Geneva], March 24, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your ET-1337 Oct 5¹⁰⁴ and our Tel 156 Mar 13.†

Repeat for Information: T&C Ottawa, Finance Ottawa, Agriculture Ottawa, PCO Ottawa, Bank of Canada Ottawa, National Revenue Ottawa from Ottawa, Washington, Paris, Bonn, Hague, Brussels, Rome, London.

DILLON NEGOTIATIONS – REQUEST LIST ON EEC

In light of the likely outcome of Article XXIV:6 negotiations we have again reviewed the request list suggested in paragraph 3 of your reference telegram. We propose subject to further amendment in the light of the Article XXIV:6 Conclusions the following deletions and additions and would welcome your early comments and suggestions.

2. *Items to be deleted:* 03.02AIB salted cod; 10.01 wheat; 10.02 rye; 10.03 barley; 10.04 oats; 11.01A flour of wheat; 17.02C maple sugar and syrup; 39.01BV polyamides; EX 39.02 polystyrene, polyethylene and polyvinyl chloride; 84.52AI calculating machines (electronic); EX 85.15B radio wireless navigational equipment.

3. *Items to be added:* 02-01BII edible offals fresh, etc.; 02.06B and C edible offals, salted, etc.; EX 03.01AI fresh, chilled or frozen salmon; 03.02AIC sardines and fish other than herring, etc. (including “mild cured” salmon); EX 04.04 cheddar cheese; 08.06AI and AII apples; 20.02G canned vegetables; EX 44.15 plywood-Douglas fir; 69.02 firebricks; 77.01A unwrought magnesium.

4. As regards the proposed deletions we feel that the proffered duty free quota for salted cod for Italy should meet our needs and that therefore we should not repeat not seek to negotiate a reduction in the tariff as such. In view of the nature of the prospective wheat settlement and the proposals for a variable levy and Common Market system for coarse grains we consider that wheat coarse grains and flour could not repeat not be negotiated in the Dillon Round (as you know the Six are withdrawing tariff bindings for these items). The rate we have obtained for maple sugar and syrup is already satisfactory. In view of the capacity being installed in Europe and the comments forwarded with Campbell Smith's letter November 17 and January 31 we have come to the conclusion that it would not repeat not be worthwhile to negotiate the chemicals of traditional interest to Canada under EX 39.01 and EX 39.02. We will of course receive indirect benefit from reductions which USA and UK may be able to obtain for such items. We would welcome your further views on EX 84.52 and EX 85.15. As regards calculating machines UK and Sweden are requesting concessions; we consider that having regard to the limited true Canadian content in these machines it would not repeat not be worthwhile including this item. We are inclined to question the value of a concession on the radio wireless navigational equipment since we understand the product sells on quality design and performance rather than price and 16 percent is not repeat not a high tariff for complex equipment of this kind. If in your view it would be worthwhile to negotiate either or both these

¹⁰⁴Voir/See Volume 27, document 150.

items we would be prepared to reconsider our position in the light of the reasons you may advance.

5. We offer the following comments covering certain items we suggest for retention on or addition to our request list:

(a) *Various Edible Offals* - Our trade with Europe has been growing. We propose to seek a 4 or 5 percent reduction in proposed Common Tariff;

(b) *Powdered Skim Milk* - No repeat no binding offered of proposed 18 percent tariff. We propose seeking binding at 15 percent. Like cheese this is a residual product of our dairy products industry and we should seek to improve access to foreign markets;

(c) *Cheddar Cheese* - We propose seeking a reduction from 23 percent to 18 percent in cooperation with other suppliers; see comment under (b) above;

(d) *Fresh Apples* - As price will be a factor over long-term we propose seeking reduction from 14 to 12 and 10 to 8 respectively in the first two delivery periods;

(e) *Grass and Clover Seeds* - We have already secured a reduction to 8 percent and hope to get more under XXIV:6; we propose to seek a further reduction of 3 or 4 percentage points in new negotiations;

(f) *Canned Salmon* - Tariff has been reduced to 18 percent and we hope for more under XXIV:6; we propose to seek 12 percent rate in new negotiations;

(g) *Other Salmon Items* - We have already secured a reduction to 10 percent on frozen salmon but propose to seek a further reduction in the Dillon Round. Re mild cured salmon the outcome of our Article XXIV:6 negotiations is still obscure. In any event we propose seeking a rate of 10 percent or better in new negotiations.

(h) *Canned Vegetables* - Community imports \$10 million a year of which nearly half from USA. We consider our canners have good prospects here and that item should be negotiated.

(i) *Whisky and Tobacco* - We shall be guided in our request by rates being sought by UK and USA respectively, i.e. about 0.80 ua per hl for whisky and 28.00 ua per 100 kg for tobacco;

(j) *Pentaerythritol* - Depending on whether our product is classified under 29.04 BII or 29.04 CI Common Market rate will likely be 19 percent or 16 percent. We require detailed industry advice as to proper classification of our product, and T&C indication of rate we should seek to negotiate. We previously had one binding on part of this item (diols) and 30 percent;

(k) *Vanillin* - Growing trade Common Tariff 20 percent no repeat no previous bindings. We suggest seeking 15 percent. You might wish to ascertain whether the following decision by EEC Council could relate to tariff item 29.11 EI: in the "Journal officiel des Communautés européennes" of January 30 the Council has decided to add to Annex II tariff item 17.05 which now reads "flavoured or coloured sugars syrup and molasses (including vanilla sugar or vanillin) but not repeat not including fruit juices containing added sugar in any proportion;"

(l) *Coniferous Wood Sawn Lengthwise* - As 44.05BI and C are to be free we assume your suggestion relates to 44.05BII rate 13 percent - our briefing shows no repeat no trade for this small dimension wood. Please ascertain whether we in fact have trade under this item and advise whether there are other coniferous wood items not repeat not covered by zero or very low CT rates which you consider we might put on our request list. We have assumed that our interests were covered by 44.03BII; 44.04B and 44.05C, 44.13 and 44.15;

(m) *Douglas Fir Plywood* - Outcome of XXIV:6 is still obscure but as a minimum we expect an ex item to be established. We propose requesting duty-free entry as for planks and boards.

(n) *Woodpulp for Papermaking* - There will be bound quotas at zero rate. Scandinavians under pressure from industry are considering refusing binding of proposed tariff rate of 6 percent. We disagree. Whether or not repeat not the Scandinavians decide to negotiate rate in

Dillon Round we believe it should be on our list at least for tactical reasons. We consider any payment from Canada in multilateral negotiations should be very small in view of quota provisions our much smaller trade relative to Scandinavians and our understanding that inter company arrangements limit our participation in European markets;

(o) *Newsprint* - Rate to be requested will be worked out in consultation with Scandinavians. Please confirm our understanding that Canadian newsprint is competitive at proposed Common Tariff rate of 7 percent;

(p) *Firebricks* - We have a growing trade. Briefing suggests our trade will move irrespective of tariff. Our view is that a binding at a reduced rate would be worthwhile. Please tell us in detail the qualities and shapes we export and the purpose for which used in order that we may consider requesting an ex item;

(q) *Copper Bars Profiles etc.* - So far our trade with the Six in these products as opposed to copper in ingot form has been small. Presumably it should however be included if the expectation is for an expansion of processing in Canada. You might also consider whether with an eye to the future we should include similar advanced forms of other nonferrous metals and/or alloys;

(r) *Aluminum* - It seems most unlikely that in the new negotiations the EEC would be prepared to go as low as the existing tariff quota rate of 5 percent. In view of our negotiations with USA and as a token of our interest in securing the lowest possible rate for this product it may be that our initial request should be for a zero tariff;

(s) *Unwrought Magnesium* - We are third supplier after Norway and UK with trade of over \$1½ million in 1959. Consider binding would be useful. Should a reduction in the proposed 10 percent tariff be sought and if so to what rate?;

(t) *Zinc Spelter* - Although Common Tariff has an ad valorem incidence of only 4-6 percent at current prices we consider some reduction would be useful both as a help to exports and as a disincentive to the establishment of further smelting capacity in community. Suggest requesting 1.00 cmu per 100 kg.

6. In our work on the request list we have been guided by various criteria and have limited the list to items where binding or reduction seems necessary to aid expansion of trade or to avoid short or longer run impairment. For some of the items notably aluminium we will be expected to provide reciprocal concessions of interest to the Six but even for this product Norway, Austria and USA will be in the payment's picture. (Norway sells nearly as much as we do.) For most of the other items suggested our supplier position is not repeat not such that the weight of the demand for reciprocity will be focussed on Canada. In the new negotiations with the Six we should stand to gain considerable indirect benefits of real interest to our export trade. However we have not repeat not considered in precise terms the payment that would be required from us primarily because we believe that for tactical reasons our initial request list should include all those items which we deem to be negotiable by the EEC and on which tariff concessions would benefit important Canadian exports.

7. We intend to present initially a products list (i.e. with no repeat no rates); we therefore require a reply to this message before March 31 as regards products and before April 7 as regards rates. If there are any new Canadian products being developed in respect of which tariff concessions in the Common Market would be of interest no repeat no doubt you will consider suggesting them for inclusion. We dispose here of only very limited information on items not repeat not now of importance in Canadian trade but which are likely to be significant in the future. As regards proposed request list items other than those which were up for negotiation under Article XXIV:6 our information is inadequate. We should be grateful if for such items usual briefing could be prepared in T&C and sent to us in due course.

211.

DEA/14052-1-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence tarifaire du GATT*

*Secretary of State for External Affairs
to Delegation to GATT Tariff Conference*

TELEGRAM E-743

Ottawa, April 14, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 175 March 24 and Our Tels ET-1337 Oct 5 and E-712 April 11.†

Repeat for Information: Washington, Paris, Bonn, Hague, Brussels, Rome, London, T&C, Finance, Agriculture, PCO, Bank of Canada, National Revenue Ottawa.

DILLON NEGOTIATIONS – REQUEST LIST ON EEC

In keeping with the tactical approach you suggest we have re-examined the proposed request list on the E.E.C. in conjunction with your reference telegram and in consultation with commodities branches of Trade and Commerce. We are not repeat not proposing deletions from the list for the sake of shortening it, and have confined the examination to a consideration of Canadian export interests. Following your method, we are dealing firstly with deletions and then with items to be retained or added.

Deletions

2. We agree salted cod should be deleted from the request list and assume that the bound duty free quota for Italy obtained in XXIV:6 negotiations covers present imports and provides for some expansion of the market. We would be interested to know the amount of the quota to be bound in the first round. Regarding calculating machines while we agree to the deletion of this item the Canadian industry is fairly substantial both in terms of investment and employment. Canadian content of bookkeeping and calculating machines (D.B.S. 5625) varies widely and is highest in the more complex equipment which accounts for a substantial part of Canadian exports to the Six. Since all Canadian producers are subsidiaries of U.S.A. companies and the U.S.A. has not repeat not requested to negotiate the relevant items (84.52 and 84.53) we are prepared to leave the negotiations to the U.K. and Sweden. With reference to radio wireless navigational equipment we concur in its exclusion from the list but are examining the whole range of electronic equipment with a view to establishing new items as discussed in paragraph 5 below. We also agree with the other suggested deletions in your paragraphs 2 and 4.

3. In addition we would suggest that of the items in your paragraphs 3 and 5 (items to be retained or added to the request list) the following be eliminated on the basis of insufficient Canadian trade interest: 02.06 B and C edible offals, salted or in brine, dried or smoked: as indicated in our paragraph 4 Canadian exports consist only of frozen beef and pork offals. 74.03 copper bars, profiles and wire: in the light of the substantial decline in Canadian exports of this item to the Six in 1960 we suggest its deletion from the request list. As you suggest we are examining the possibility of negotiating semi-fabricated non-ferrous metals and will include in the briefing any items which appear to warrant consideration for the negotiations.

The Request List

4. The suggested request list together with our comments on individual items and duties follows:

(1) *02.01 B II* – Edible offals, fresh chilled or frozen of bovine animals and pigs. The E.E.C. is expected to be a continuing market for Canadian offals. Our interest is solely in frozen offals of beef and pork with the former accounting for 20 percent and the latter 80

percent. Shipments have been made mainly to Germany over a duty of 5 percent for livers and 10 percent for other offals. 70 percent of Canadian shipments to Germany was of livers. Since the proposed C.T. rate is 20 percent a 5 percent reduction as you suggest would result in a 15 percent duty and would represent a significant impairment in access to the German Market. Accordingly, you may wish to request a rate of 10 percent.

(2) *EX 03.01 A I – Frozen Salmon.* The 10 percent rate secured in the first round corresponds with the rate in France, our best market. Industry would of course welcome any further reduction you may be able to obtain.

(3) *EX 03.02 A IC – Mild Cured Salmon.* As indicated in our telegram TC-711 March 8 this is a raw material for further processing. The proposed C.T. rate of 15 percent is high. Commodity experts share your view that we should seek a rate of 10 percent or lower in the new negotiations.

(4) *EX 04.02 A – Powdered Skimmed Milk.* Canadian trade, now on a commercial basis, with an anticipated continuing supply, at present faces competition from heavily subsidized U.S.A. exports. In view of our long term interest the 15 percent rate you propose to request would be satisfactory.

(5) *EX 04.04 – Cheddar Cheese.* Commodities Branch agrees with your comments and proposal to seek reduction to 18 percent. In view of present limited demand for Canadian cheddar cheese in the E.E.C. you would not repeat not wish to pay very much for this concession and therefore cooperation with other suppliers in negotiations as you suggest would be appropriate.

(6) *EX 08.06 – Fresh Apples.* We agree with your suggestion to seek reductions of 2 percent in the first two delivery periods. In our view this is largely a presentational item since we expect that imports from Canada will continue to depend on the size of E.E.C. harvests.

(7) *EX 12.03 B – Grass and Clover Seeds.* We concur in your appraisal of this item and your proposed action.

(8) *16.04 B – Canned Salmon.* Industry expects to have increased supplies for export in the coming years. Benelux, where the duty has been suspended since the war, is our best market and West Coast suppliers feel that any duty above 10 percent would restrict imports. Although the 12 percent rate which you propose seeking would not repeat not be insurmountable you may wish to start at a lower rate in your initial request. We assure that the possibility of a duty-free quota for Benelux has been explored.

(9) *20.02 G – Canned Vegetables (Other).* We share your views regarding Canadian long term interest in E.E.C. market. However, owing to climatic and other factors affecting Canadian competitive position, we do not expect to become a leading supplier. You may wish to seek a secondary binding on this item. According to our information Sweden and the U.K. are proposing to negotiate it.

(10) *EX 22.09 CII – Whisky and 24.01 – Tobacco.* We have nothing to add to your suggestion and note that you are seeking as favourable access for Canadian whisky as for scotch and bourbon.

(11) *EX 29.04 CI – Pentaerythritol.* As outlined in our telegram TC-900 March 24 this product is a petrol on which the proposed C.T. is 19 percent. Production in the E.E.C. is increasing but does not yet meet domestic requirements. Competition from producers in the Community poses the greatest threat to Canadian exporters who therefore would welcome the lowest rate possible. The U.S.A. and the U.K. are at present our main competitors. Canadian chemicals, as the main supplier, have been consulted and inform us that 12

percent would be the maximum rate “they could live with.” You will have noted that the U.S.A. and Sweden have requested negotiations on this item.

(12) *EX 29.11 EI – Vanillin*. Commodity officers agree that your suggested 15 percent rate would be satisfactory to Canadian industry. You will have noted that the U.S.A., the U.K. and Switzerland have included this item on their lists and we assume you have checked the rates they are requesting. Regarding the question you raise in your paragraph 5 as to the significance for vanillin of classifying vanillin flavoured sugar under Annex II of the Rome Treaty we doubt whether this would have any bearing. However we are asking Brussels to confirm with the Commission and advise you directly.

(13) *44.05 C – Coniferous Wood Sawn Lengthwise (Planks and Boards)*. Canadian interest is in standard sizes of planks and boards under sub-item C. This item was included in the proposed request list (our telegram ET-1337 October 5) with the binding of duty free entry in mind. If this binding should be obtained in XXIV:6 negotiations you will wish to delete this item from the list. Your assumption is correct that our interest in wood items is covered by 44.03 B II, 44.04 B, 44.13, 44.15 and the above item.

(14) *EX 44.15 – Douglas Fir Plywood*. We agree with your comments. You will have noted that Norway and Sweden have requested to negotiate an ex item for pine and northern fir plywood. However we do not know whether Scandinavians share our interest in plywood for use in construction in competition with lumber.

(15) *EX 47.01 – Woodpulp for Papermaking*. Trade and Commerce are consulting industry through the pulp and paper association and will report in a separate telegram. We agree that for tactical reasons this item should be on our list regardless of the outlook for the Dillon Round. The association understand from the Swedish trade that the E.E.C. duty free quota may be broken down by countries and grades and they would appreciate receiving details through us to assist in assessing the significance of the quota.

(16) *48.01 A – Newsprint*. The Canadian Industry for its own tactical reasons continues to hold to the position that free entry is appropriate. Our impression from discussions with them is that Scandinavia which has equally efficient production enjoys a relative advantage in the E.E.C. owing to its proximity to that market and to its industry’s cooperative shipping arrangements. Because of our small supplier position we could probably not hope to obtain anything more than a secondary binding on any reduction from 7 percent that may be obtained by the Scandinavians.

(17) *EX 69.02 A – Refractory Bricks (Fire Bricks)*. Canadian interest is in magnesite and chrome magnesite refractory brick used principally for the lining of kilns in the cement industry and to a lesser extent in the steel industry. It is a high quality, high price product, the composition and shape of which generally conform to individual kiln specifications. Austria is our main competitor and has requested negotiation of this item. There is also some domestic production within the Six, particularly in Germany and France. Accordingly we agree with your assessment that we should seek a reduction to the lowest level of duty possible.

(18) *76.01 A – Primary Aluminum*. You are in the best position to assess the appropriate request to put forward, and we would not repeat not disagree with your suggestion of an initial request for duty free entry for aluminum.

(19) *77.01 A – Unwrought Magnesium*. Norway has replaced Canada as principal supplier to the Six and the Canadian industry does not expect to regain the leading position. Norway is proposing to negotiate this item and owing to our supplier position a secondary binding would appear to be the best we could hope to achieve.

(20) *79.01 A – Zinc Spelter*. We concur in your suggestion to request 1.00 cmu per 100 kg and assume you are taking into account that Norway and Australia have requested negotiation of this item.

Possible New Items

5. Trade and Commerce are examining for inclusion in the negotiations possible new items as well as established export commodities which have not repeat not been moving to the E.E.C. A preliminary study suggests that items such as black masterbatch, aluminum covered steel reinforced cable, lithium hydroxide and lithium carbonate might possibly qualify. After this examination has been completed we will send you detailed briefing material for any appropriate commodities.

Detailed Briefing Material

6. We are preparing briefing sheets for inclusion in next week's airbag for the following items on the request list: frozen edible offals, canned vegetables, unwrought magnesium and whisky. We assume that the other items on the list are adequately covered by the briefing already in your possession.

For Brussels

7. Please note the comments on vanillin in paragraph 4 (12) above and advise Tariff Delegation directly repeating your reply to Trade and Commerce Ottawa.

212.

DEA/12447-40

*Extrait du procès-verbal de la réunion du Comité interministériel
sur la politique du commerce extérieur*

*Extract from Minutes of Meeting of Interdepartmental Committee
on External Trade Policy*

ICETP DOCUMENT NO. 5

[Ottawa], April 28, 1961

Present

Mr. R.B. Bryce, Secretary to Cabinet, (Chairman),
Mr. N.A. Robertson, Under-Secretary of State for External Affairs,
Mr. D. Sim, Deputy Minister of Trade and Commerce,
Mr. J.A. Roberts, (Deputy Minister of Trade and Commerce),
Mr. S.C. Barry, Deputy Minister of Agriculture,
Mr. L. Rasminsky, Deputy Governor, Bank of Canada,
Mr. D.H.W. Henry, Department of Justice,
Mr. I.S. McArthur, Department of Fisheries,
Mr. A. Laframboise, Privy Council Office, (Secretary).

Also Present

Mr. A.F.W. Plumptre, Assistant Deputy Minister of Finance,
Mr. S.S. Reisman, Mr. J.F. Grandy, Mr. C.A. Annis, Department of Finance,
Mr. A.E. Ritchie, Mr. O.G. Stoner, Mr. M.A. Crowe, Department of External Affairs,
Mr. J.H. Warren, Assistant Deputy Minister of Trade and Commerce,
Mr. R. Campbell-Smith, Mr. R.E. Latimer, Department of Trade and Commerce,
Mr. A.R. Hind, Assistant Deputy Minister of National Revenue,
Mr. R.C. Gascoigne, Department of Justice,
Mr. S. Handfield-Jones, Bank of Canada.

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II. PROGRESS REPORT ON GATT TARIFF NEGOTIATIONS

15. *Mr. Warren* said that the first phase of the GATT negotiations were about to come to an end and the general picture appeared to be as follows. The common tariff would be lower than the present legal incidence, and Canada would have certain new bindings where it previously had no contractual rights, e.g., bindings for oil seeds and apple juice. An acceptable tariff basis would be established for 53% of our trade, instead of the previous 44%. For the balance, 27% represented our trade in wheat. 3.5% involved products over which we had no negotiating rights but which were being negotiated by other countries. For 1.6% of the remainder, it was not essential that we get any undertakings. It was essential, however, for us to obtain some concessions for the remaining 13.7% which represented \$40 million worth of trade and involved such things as aluminum and synthetic rubber. If possible, it would be desirable to obtain a further reduction of 1/2% of the tariff on aluminum and a satisfactory tariff rate on canned salmon.

16. Pulp and newsprint had created some difficulty. Bindings had been offered at a rate of 6%, but this was not acceptable to Canadian producers who considered that there should be no tariff at all. The question of wheat and cereals was in suspense. The United States had made a proposal to the Six and were waiting for a reply. Nevertheless, they had agreed to go ahead with the Dillon Round on the understanding that the final agreement would be dependant on a satisfactory solution of the agricultural issue. This situation placed Canada in a position of having to decide whether to proceed with the Dillon Round or await an agreement on the question of wheat and cereals. Art. XXVIII-1 negotiations with the United States were not yet complete. Although we were satisfied with the negotiations, the U.S. were not. Moreover it appeared that their position was hardening. Efforts were being made to complete negotiations before the Dillon Round. It would be unfortunate if these were to be held up by Art. XXVIII-1 negotiations.

17. In summary, this phase of the GATT negotiations had produced something tolerable and liveable for Canada, and had not necessitated any tariff concessions on our part.

18. For the Dillon Round the tactics proposed were that we begin by putting forward an "opening card." This would mean that we would wait to see what indirect concessions might be offered in response to our request list. We could then determine what position to adopt in the light of these offers.

...

213.

DEA/12447-40

*Le ministre du Commerce
à la délégation à la Conférence tarifaire du GATT
Minister of Trade and Commerce
to Delegation to GATT Tariff Conference*

TELEGRAM TC-1188

Ottawa, April 24, 1961

SECRET. OPIMMEDIATE.

Reference: External Tel 743 Apr [14].

Repeat for Information: External, Finance Ottawa, Agriculture Ottawa.

DILLON NEGOTIATIONS – REQUEST LIST ON EEC

As indicated in paragraph 6 reference telegram we have despatched by airbag April 21 briefing sheets for four items for inclusion in request list on Six. You will note from comments on edible offals given below that Canada's supplier position is probably not repeat not

sufficiently strong to justify our requesting a rate of ten percent as mentioned in our reference telegram. Our comments on four items for which briefing has been prepared and on possible new items follow.

REQUEST LIST ITEMS

EX 02-01 B II – Edible Offals

Canada's export interest in edible offals is centred in frozen beef and pork offals. Supplies for export of these products are good and it is expected that Canadian meat packers would be in a position to continue to offer these items. The trade view EEC as a continuing market with Canada Packers principal shippers.

As revealed by EEC country import statistic Canada as a supplier ranks last among major supplying countries. Since import statistics for France, Germany and Italy include all offals (fresh chilled or frozen) it is impossible to pinpoint proportion of imported frozen offals. USA which is principal supplier is also interested mainly in frozen beef and pork offals. USA's large volume of supply of these products enables that country to offer at prices lower than ours which gives them a distinct competitive advantage.

Our information indicates that only Sweden and New Zealand have requested negotiation of this item. In view of Sweden's very limited supplier interest, as shown in EEC country import statistics, it is difficult to understand why they have included it on their request list. We presume New Zealand's interest would be in frozen mutton offals. Because of Canadian exporters interest in this item any concession you may be able to obtain would be useful. At same time our supplier position in Common Market would seem to indicate that USA would have to do main running on this item. However USA has not repeat not included edible offals in its request list on Six.

20.02 G – Canned Vegetables, Other

Canadian canning industry has expressed keen interest in developing export market for canned vegetables in EEC. Canadian interest is mainly in canned peas, corn, beans, carrots, beets, gherkins and relishes. Available supplies for export are substantial and we are advised prices are competitive with those of USA. However owing to climatic and other factors affecting Canadian competitive position we do not repeat not expect to become a leading supplier.

Import restrictions in Germany, Netherlands and France have limited our sales to those markets.

According to EEC country import statistics Canada is not repeat not a major supplier of canned vegetables in any of markets of Six. In view of our supplier position a secondary binding at any reduced rate might be best we could expect to obtain. Sweden and UK have included this tariff item in their request lists on Community.

EX 22.09 C II – Whisky

In view of fact UK is principal supplier of whisky to EEC and is our competitor in this market we concur with your views (your telegram 175 March 24) that we should be guided in our request by rates being sought by that country.

77.01 A – Unwrought Magnesium

Canadian industry views EEC as an important market and will have good supplies of this metal to offer for export. Norway has supplanted Canada as principal supplier to Six and will likely maintain its competitive advantage owing to proximity to European markets. Norway has included unwrought magnesium on its request list. In view of our supplier position you may wish to seek a secondary binding on this item.

New Items Considered

2. Regarding paragraph 5 reference telegram, in cooperation with Commodities Branch we have completed our exploration of possible new items for inclusion in negotiations. While our exam has not repeat not revealed any commodities which could be added to list following summary of our review together with our comments may be useful. Commodities examined were as follows:

- EX 28.28 A - Lithium hydroxide 13 percent
- EX 28.42 A VI - Lithium carbonate 14 percent
- EX 29.04 A II - Propyl alcohol 15 percent
- EX 29.04 A III - Butyl alcohol 8 percent and 14 percent
- EX 39.03 C I (non plasticized) cellulose acetate 19 percent
- EX 40.05 - Black masterbatch 10 percent
- EX 73.02 F - Ferro-titanium 7 percent
- EX 73.02 IJ III - Ferro-columbite 7 percent
- EX 74.03 - Copper rods for wire making 10 percent
- EX 85.23 - Aluminum covered steel reinforced cable for communications 17 percent.

3. Of above items lithium hydroxide, lithium carbonate, black masterbatch ferro-titanium and ferro-columbite are now reaching production stage and within next year or so it is expected they will be available in sufficient quantity for export. Industry has indicated a keen interest in developing export markets for these new products and view EEC as a particularly promising area. However in our view until such time as export performance can be established competitive position of these commodities in Common Market and degree of impairment resulting from proposed Common Tariff rate cannot repeat not be assessed satisfactorily. However in view of our potential interest in these items and further fact that USA has included lithium hydroxide and lithium carbonate in their request list on Six, you will probably wish to follow closely any negotiations on above items.

4. With regard to propyl alcohol, butyl alcohol and cellulose acetate, these products have been moving to EEC markets in small quantities. Propyl alcohol, a solvent used widely in chemical synthesis, is produced in Canada by Canadian Chemicals Ltd. In 1960 this product which previously was in short supply was sold in following quantities: Belgium 15,000 pounds, Germany 1.5 million pounds and Netherlands 10,000 pounds. It is valued at approximately 12 cents per pound. Canadian company is expanding its production facilities and will have greater quantities for export in coming years. Butyl alcohol, also a solvent, has been in very short supply in Canada and is produced by Canadian chemical and Shawinigan who are expanding capacity by 40 percent and expect to have increased supplies to offer for export. Cellulose acetate is also produced by Canadian chemicals, a subsidiary of Celanese of America. Prior to 1960 sales by Canadian company were limited to affiliated concerns principally in South America. Changes in export policy in 1960 allowed Canadian subsidiary to compete in European market which resulted in a first sale in Europe of some 495,000 pounds valued at about 40 cents a pound to Italy. This year company has firm contracts for one million pounds each to Italy and Germany and 750,000 pounds to UK. In course of our study we have discovered propyl alcohol and butyl alcohol are on USA request list and UK has requested negotiations on cellulose acetate. In view of our potentially great interest indicated above in these products you will no repeat no doubt wish to maintain a close association with delegations of countries negotiating these items with a view to pursuing Canadian interests.

5. Regarding copper rod and aluminum covered steel reinforced cable latter product used in communications equipment has an aluminum cover over a steel core wound with copper wire. Industry is of opinion that their competitive position for these secondary products in EEC could be improved if price of primary copper to Canadian manufacturers can be brought into line with European prices. We plan to follow this situation closely. In event that our competitive position is in fact improved as a result of lower copper prices you may wish to consider moving these items from watch list to request list. Our records show UK and Norway have item 74.03 on their request lists. Sweden has requested negotiations on whole of item 85.23.

6. In paragraph 2 reference telegram we indicated that electronic equipment would be examined in context of new items for negotiations. Commodity officers are unable to pinpoint specific items for possible negotiation in wide range of electronic equipment produced in Canada. Of products exported to EEC a substantial volume has been for end use by NATO. Commercial shipments have been mainly of custom built equipment of high unit price and exports have been sporadic. Canadian industry has indicated that it would welcome any concessions which our principal competitors may be seeking. From our scrutiny of request lists on EEC which we hold it has not repeat not been possible to identify specific items. In your exam of request lists of other countries on EEC, if you should come across items that may appear to be starters we would be pleased to try to identify Canadian interest in them.

214.

DEA/14052-8-1-40

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

TELEGRAM 1276

Washington, April 20, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: T&C Ottawa, Finance Ottawa, Agriculture Ottawa (OpImmediate) from Ottawa, Tariff Delegation, London, NATO Paris, Brussels from Ottawa (OpImmediate).

GATT ARTICLE XXIV:6 NEGOTIATIONS

We were told by Weiss (State Department) today that USA position has now been clarified and that he will be briefing us fully on Monday April 24.

2. In the meantime he wanted to let us know that USA delegation is being authorized to proceed with the Dillon Round even though no repeat no agreement has been reached on agriculture. This authorization is subject to the important proviso, which will be stressed to the Six, that USA do not repeat not intend to settle on the Dillon Round until agreement is reached on agriculture.

3. Weiss told us USA is prepared to make certain adjustments in its proposals on agriculture but that this will still be "a very stiff position" with respect to the wheat proposal, USA is not repeat not prepared to settle on the present basis. Weiss said USA authorities will be refining USA proposal to extract more precise assurances with respect to imports in the interim periods but this would still be within the general framework of the negotiating position agreed between

Canada and USA. He expressed the hope that we would delay decision on whether to settle on the present wheat proposal until we had a chance to consider the revised USA position.

4. We will be reporting further on Monday.¹⁰⁵

215.

DEA/14052-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 481

Geneva, May 12, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 477 May 12.†

Repeat for Information: Washington, London, NATO Paris, Brussels, Bonn, Hague, Rome, T&C Ottawa, Finance Ottawa, Agriculture Ottawa, PCO Ottawa, Bank of Canada Ottawa from Ottawa.

TARIFF NEGOTIATIONS – OPENING OF DILLON ROUND

At this morning's meeting of the Tariff Negotiations Committee, it was agreed to terminate Article XXIV:6 phase of the Tariff Conference and to initiate the Dillon Round following procedures along the lines of those indicated in our reference telegram which would permit individual Contracting Parties to agree, to disagree or to agree with reservations regarding the results of the renegotiations. The Secretariat will be circulating a paper outlining the details of the procedures to be followed.

2. We indicated that Canada remains hopeful that the negotiations on wheat will be brought to a successful conclusion and that we will be able to enter the Dillon Round with a minimum of reservations. This view was reciprocated by Donne, Representative of the Six. We warned that in the circumstances it might not repeat not be possible for us to enter the Dillon Round on the agreed date, but that we hoped to be able to do so shortly thereafter.

3. The Tariff Negotiations Committee has agreed that the Dillon Round should open on Monday May 29. On that day T&C will reconstitute itself for the new negotiations and will be composed of countries circulating or able to circulate consolidated offer lists, countries which have put in request lists or otherwise indicated in writing their intention to participate and countries negotiating for accession. At this meeting arrangements will be made for the exchange of offer lists and an opportunity will be given for statements on the nature of the various offer lists. The Committee will probably set up a tariff negotiations working party of more limited membership to deal with the day to day problems of the new negotiations. It is probable that the T&C will also set a date for the commencement of negotiations with acceding countries and will make arrangements for later negotiations with the less developed countries which may not repeat not be able to participate on the basis of reciprocity. Working parties will also be established on the proposed accessions of Ireland and Portugal in respect of which substantive issues are outstanding which need to be resolved prior to actual negotiations.

¹⁰⁵Note marginale :/Marginal note:

Spoke to Jim G[randy] & Bob L[atimer] who agreed no reaction on our part was required – since there is no danger we would go ahead without consulting Americans – & settlement must now be translated into precise language. [Auteur inconnu/Author unknown]

Within the next few days the Secretariat will circulate a draft paper on the procedure to be followed for the exchange of lists and the commencement of bilateral negotiations.

4. Although it was Corse who proposed a date for the beginning of the Dillon Round he did not repeat not state explicitly that USA was in a position to negotiate with EEC. UK again indicated its desire to go forward provided both USA and EEC participated. We think you may assume that USA will find it possible to enter into new negotiation with the community.

5. We are reporting separately on the outcome of our Article XXVIII:1 and 4 negotiations.

6. The Executive Secretary will today be announcing that the Dillon Round will commence on May 29. In the particular circumstances of our negotiations with respect to wheat, we suggest that in response to questions ministers indicate that so far as Canada is concerned good progress has been made in Article XXIV:6 negotiations, that however the discussions on certain important products have not repeat not yet been completed but that delegation is hopeful that these matters will be regulated in the near future in such a way as to permit Canada to join in the Dillon Round on May 29 or shortly thereafter.

216.

DEA/14052-1-40

Note d'information pour la visite du président des États-Unis

Briefing Note for Visit of President of United States

UNCLASSIFIED

[Ottawa], May 16, 1961

GATT TARIFF NEGOTIATIONS

Since September 1960, tariff negotiations have been proceeding in Geneva between the six members of the EEC and the other members of the GATT, including Canada. These talks precede the so-called "Dillon round" where new concessions will be negotiated. The object of the first part of the negotiations is to ensure that concessions negotiated with the Six at previous Tariff Conferences should not be impaired by the institution of their common external tariff. This new round is likely to commence within the next few weeks. If the proposed common tariff involves a deterioration of existing terms of access to the markets of the Six and the latter fail to provide adequate compensation, the injured exporting country is entitled under GATT rules to withdraw concessions previously given the Six. It appears that techniques are now being developed which would permit countries to enter the Dillon round with reservations concerning products about which they had not been satisfied in the preceding negotiations.

Negotiations on agricultural commodities, in which we have an important trade interest, have proved to be especially difficult not only because tariffs are only one among many other measures that can be used to restrict terms of access for agricultural commodities but also because the position of the Six has been that since their common agricultural policy is not yet agreed on among themselves there is no firm basis for negotiation. In close cooperation with the United States, whose interests are close to ours, we have pressed the Six vigorously and a satisfactory settlement on wheat, which is of chief interest to us, may be in sight. However, the United States consider that some of their other agricultural interests have not been adequately safeguarded. Their latest proposals to the Six have been rejected by the EEC Council of Ministers, and we understand that they intend to make vigorous representations at a high level in the capitals of the Six in order to break the deadlock.

In view of the importance attached by the United States to this issue and of our common interests. President Kennedy may raise it with you. If so, you may wish to indicate that we share with the United States the objective of discouraging the Six from adopting a restrictive common agricultural policy and of ensuring that their future régime for agriculture will

provide for adequate access on a competitive basis for our exports to the Common Market. You might also wish to suggest that an early settlement on wheat would be in our common interest.

217.

DEA/14052-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 544

Geneva, May 29, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel E-743 Apr 14 and T&C 1188 Apr 24.†

Repeat for Information: Washington, Paris, London, Bonn, Hague, Brussels, Rome, T&C Ottawa, Finance Ottawa, Agriculture, PCO, Bank of Canada, National Revenue Ottawa from Ottawa.

DILLON NEGOTIATIONS – REQUEST LIST ON EEC

We have given today to Mr. Donne, Chairman of EEC delegation in Geneva, our request list on EEC as reproduced in paragraph 3. This list does not repeat not mention any rates of duty being sought by Canada during negotiations but simply enumerates products on which Canada intends to request concessions from Community. List is based on our suggestions contained in our telegram 175 March 24 and your instructions contained in above mentioned telegrams. You will note that we have made two changes which were necessitated by recent developments. We have deleted pulp (47.01 BI and II) and added paper for periodicals (48.01 EI) which now constitutes a subdivision of newsprint in EEC nomenclature.

2. We would suggest that copies of our request list be transmitted as soon as possible to appropriate authorities in all capitals of Six.

3. Following is our request list “List of products on which Canada intends to request concessions from European Economic Community.” Text begins:

02.01 BII – fresh offals; 03.01 AI – frozen salmon; 03.02 AIC – mild cured salmon; EX 04.02 – powdered, skimmed milk; EX 04.04 – cheddar cheese; 08.06 AI, AII – apples; EX 12.03 – alsike; EX 12.03 – grass seeds; EX 16.04 – canned salmon; EX 20.02G – canned vegetables; EX 22.09 – whisky and gin; 24.01 – tobacco; 29.04 CI – pentaerythritol; 29.11 EI – vanillin; EX 44.15 – Douglas fir plywood; 48.01 A – newsprint; 48.01 EI – paper for periodicals; 69.02 A – firebricks; 76.01 A – primary aluminum; 77.01 A – unwrought magnesium; 79.01 A – zinc spelter and unwrought. Text Ends.

218.

DEA/14052-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 556

Geneva, May 30, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 481 May 12.

Repeat for Information: Washington, London, Paris, NATO Paris, Brussels, Bonn, Hague, Rome, T&C Ottawa, Finance Ottawa, Agriculture Ottawa, PCO Ottawa, Bank of Canada Ottawa from Ottawa.

TARIFF NEGOTIATIONS AND REY'S VISIT

1. Hugo de Grood who will be leading EEC team in Dillon negotiations with USA and Canada called this morning. He is pessimistic regarding the outlook for the negotiations with USA.

2. Apparently the Community is not repeat not prepared to go very far into the Dillon Round until the general position vis-à-vis USA is a lot clearer. This is a reference to the outstanding USA requests with respect to agriculture. Although no repeat no final decision has been taken. It is possible that Mansholt will go to Washington around June 19 for high level discussions with Americans. If so Rey will join him from Canada.

3. De Grood does not repeat not see any alternative to such a meeting if progress is to be made but he is not repeat not hopeful of positive results. Apparently Hallstein returned from Washington with the impression that important as were the outstanding commercial policy issues, political considerations, including support for EEC, were still paramount and therefore there were no repeat no compelling reasons why the Community should do very much to meet USA on agriculture. This impression has been reinforced in various conversations with Ball in which he is reported to have emphasized the need to consult with State as well as USDA in any talks in Washington. Quite apart from the above consideration Rey and Mansholt remain personally convinced that USA demands are extreme and that in any event it would not repeat not be possible or desirable to meet them given the present delicate stage in intra Six relations concerning the common agricultural policy. In sum Rey and Mansholt would go to Washington without conviction as to the need for substantial compromise and with little if any room for manoeuvre.

4. We told de Grood that Canada would expect to be represented in any meetings between the Community and Americans which touched on the negotiations with respect to wheat and coarse grains.

5. The unwillingness of the Community to move very far with USA pending clarification of the agricultural situation seems likely to affect our own timetable of negotiations with EEC. The long delay in moving forward on the Community's counter offer on wheat seems to be clouding the atmosphere which has hitherto marked our negotiations with EEC. Yesterday Donne showed some signs of irritation with our attitude and indicated that negotiations with Canada would probably have to wait until after EEC has negotiated with countries with which agreements under XXIV:6 had been reached.

6. All addressees please safeguard de Grood's information.

219.

DEA/14052-1-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 1788

Washington, June 3, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: London Tel 1868 May 22† and our Tel 1681 May 25.†

Repeat for Information: London, Paris, NATO Paris (OpImmediate), Tariff Delegation, Brussels, Hague, Bonn, Rome (OpImmediate) from Ottawa, Finance Ottawa, T&C Ottawa, Agriculture Ottawa, PCO Ottawa (OpImmediate) from Ottawa.

GATT ARTICLE XXIV:6 WHEAT

Last evening we were called to the Office of International Trade, State Department, where Weiss (Deputy Director) speaking under instructions, told us that USA position on the GATT XXIV:6 negotiations had been reconsidered in the light of under Secretary Ball's recent discussions in European capitals. It was now anticipated that Mansholt and Rey would visit Washington on or shortly after July 7 and USA authorities had concluded that the discussions here should be conducted at the Cabinet level (i.e. by Ball and Secretary Freeman) with a view to reaching definitive agreement on an agricultural package which Mansholt could recommend to the Six. In these circumstances USA authorities considered that it would "not repeat not be practicable to provide for Canadian participation in the discussions" and that the Canada-USA Common Front on agriculture should be discontinued.

2. Weiss emphasized that this change of USA thinking did not repeat not imply any intention of USA to settle with EEC at the expense of Canadian interests. It was, he said, motivated by: (a) the desire to retain maximum flexibility in the discussions with Mansholt with a view to reaching bilateral agreement without further consultation with third parties; (b) the desire to concentrate on commodities of primary interest to USA. While USA agricultural package had not repeat not yet been worked out in detail, State Department would argue interdepartmentally in favour of dropping rye and buckwheat, which were of interest to Canada, and it appeared desirable to inform us of this now rather than retract on these two commodities during the course of the negotiations with Mansholt; (c) expressions of Canadian concern that a satisfactory Canadian wheat settlement might be prejudiced by delays inherent in maintaining the Common Front.

3. Weiss went on to say that there had been no repeat no change in the USA estimate of the importance of the wheat settlement or of the desirability of delaying a settlement pending conclusion of the efforts of Canadian and USA representatives in Geneva to work out a satisfactory counter-proposal. They still considered that there was some hope of obtaining EEC agreement to a wheat formula somewhat better than the April 27 offer and that Canadian acceptance of a settlement at this time would be prejudicial to the chances of serving such an improved formula. Weiss indicated that USA authorities were particularly anxious to make provision for normal imports during the "interim period." They therefore hoped that Corse and Warren would continue to work on an agreed counter proposal which USA, for its part, might then submit as part of its own package to Mansholt. This would represent the final "showdown" in the Article XXIV:6 negotiations as far as USA was concerned. If it was not repeat not successful, USA would have no repeat no alternative but to consider withdrawing concessions.

4. Weiss recognized that Canadian authorities would now have to consider how to proceed so as to protect our own interests and that USA authorities had less reason than previously to ask us to delay settling on wheat. He recognized that we might wish to proceed to a settlement without delay but he repeated his personal conviction that USA would not repeat not settle on a wheat formula less satisfactory than Canada could accept and said that he personally thought that it would probably be best for the interests of both countries if we hold off until after USA discussions with Mansholt. Weiss said that USA authorities would in any event keep us informed of the course of these discussions, and the likelihood of EEC acceptance of an improved wheat formula. Conversely, Weiss indicated that if Canada decided to settle more or less on the present basis, USA recognized that it would be unlikely to obtain an improved formula for wheat, and that this formula would also be the best that could be hoped for in respect to coarse grains.

5. Much of the foregoing information emerged as a result of our questioning. However, Weiss was uncharacteristically reticent on a number of points on which we failed to obtain clarification. We are left with the impression that as a result of Ball's European tour, USA authorities have concluded that a settlement of the agricultural package with EEC is possible but that USA will have to withdraw on some of its demands. In these circumstances, they can "live with" the kind of settlement which is shaping up for wheat (and, by projection, for coarse grains) but wish to be entirely free in their discussions with Mansholt to negotiate other elements in the package which perhaps in part because of congressional pressures, are of more unique importance to USA.

6. There is no repeat no doubt that the reversal of USA position has come as a surprise to USA officials, including Weiss. We, of course, did not repeat not comment in substance but indicated that the Canadian authorities had, on the basis of views previously expressed by USA, been acting on the assumption that the "Common Front" would be maintained through the Mansholt discussions and had regarded Canadian participation in the wheat portion of these discussions as important. The abrupt reversal of USA position was, therefore, likely to cause some serious concern. Weiss indicated that USA authorities would be prepared to take another look at the situation if the Canadian authorities had strong views. Weiss ended by saying that a message would be sent this weekend to Corse, who had not repeat not yet been informed. He also asked that the information given above, which bears on USA negotiating position, be restricted to Canadian officials.

220.

DEA/14052-1-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence tarifaire du GATT*

*Secretary of State for External Affairs
to Delegation to GATT Tariff Conference*

TELEGRAM E-1142

Ottawa, June 7, 1961

SECRET. OPIMMEDIATE.

Reference: Your message 745 - June 6.†

Repeat for Information: Washington, London, Brussels, Paris, NATO Paris, The Hague, Bonn, Rome, T&C Ottawa, Finance Ottawa, Agriculture Ottawa, Bank of Canada Ottawa, Privy Council Office Ottawa.

GATT ARTICLE XXIV:6 – WHEAT

1. Your proposal to proceed with a wheat settlement with the Six has been considered at the official level. In our latest discussions with Warren on this matter, we had reservations about the appropriateness of Canada being responsible for breaking the Common Front with the U.S. in these negotiations. However, we would agree that in the light of Washington Message 1788 of June 3 this reservation is no longer valid and it would be appropriate for you to proceed with the negotiations on our own account.

2. We have reviewed the terms of your proposed counter-proposal to the E.E.C. and feel that the kind of settlement you suggest we could obtain would meet our preoccupation with regard to quantitative access during the interim period. With regard to timing, you will have noted the suggestion from Weiss reported in the message from Washington to the effect that he personally thought it probably would be best for the interests of both countries if we hold off until after U.S.A. discussions with Mansholt. This is a matter for your own judgment and we assume that you consider it is not worth the risk.

3. In view of the major importance of wheat and since the XXIV:6 settlement is all that we will be getting out of this Tariff Conference with respect to wheat, we have felt it important to seek confirmation from ministers before the agreement is firmed up. In the meantime, it would be appropriate for you to put forward your counterproposals to the Six.

221.

DEA/14052-8-1-40

*Le chef de la délégation à la Conférence tarifaire du GATT
au chef de la délégation de la Commission économique européenne
à la Conférence tarifaire du GATT*

*Head, Delegation to GATT Tariff Conference,
to Head, Delegation of European Economic Commission
to GATT Tariff Conference*

Geneva, July 27, 1961

Dear Mr. Donne:

As you know I am going back to Canada at the end of this month. While I shall continue to lead the Delegation it is unlikely that I will be returning to Geneva during the remainder of the Conference.

I had very much hoped that by now it would have been possible to finish the Article XXIV:6 negotiations with respect to wheat. However, the difficulties which have recently arisen in the Member Countries concerning the agreement negotiated with you and M. Rabot seem to preclude this for the time being. I am glad to hear, however, of M. Rabot's confidence that the wheat settlement can be brought to conclusion in late September or early October.

You will appreciate that the failure to agree on wheat and the absence of any offers from the Community for the coarse grains in respect of which Canada has negotiating rights, together with our concern about the inadequacy of the concessions offered for aluminum and canned salmon, make it impossible at present for the Canadian delegation to consider bringing the Article XXIV:6 negotiations to a satisfactory close.

Given the expectation that the outstanding difficulties can be worked out during the remainder of the Conference it is not my intention to make Canadian entry into the Dillon round negotiations with the Community conditional on prior agreement or understandings with respect to wheat and the other products I have mentioned. To do so would involve further delay in what has already been a long conference and might be prejudicial to a mutually

beneficial final result. However you will realize that Canadian willingness to conclude Dillon negotiations with the Community and to terminate the Article XXIV:6 negotiations with or without reservation must be conditional on a satisfactory agreement with respect to wheat and would also require progress in dealing with the other problems I have mentioned.

So that I may give an accurate report on the situation to Canadian Ministers when I return to Ottawa I should be grateful if in acknowledging this letter you would take note of the position herein outlined and indicate your willingness to proceed on the basis I have suggested.

Yours sincerely,

H.B. MCKINNON

222.

DEA/14052-8-1-40

*Le chef de la délégation de la Commission de la communauté économique européenne
à la Conférence tarifaire du GATT
au chef de la délégation à la Conférence tarifaire du GATT*

*Head, Delegation of European Economic Commission
to GATT Tariff Conference,
to Head, Delegation to GATT Tariff Conference*

Genève, le 28 juillet 1961

Cher Monsieur McKinnon,

J'ai l'honneur d'accuser réception de votre lettre du 27 juillet dont j'ai pris bonne note et que je ne manquerai pas de communiquer à la Commission ainsi qu'aux représentants des États membres de la C.E.E.

J'apprécie l'importance que votre Gouvernement attache à un règlement du problème du blé et j'aurais comme vous fortement désiré qu'un accord eût intervenu avant l'ouverture des négociations Dillon. Ce problème retient toute l'attention de la Commission et des Gouvernements des États membres de la Communauté Économique Européenne et j'exprime l'espoir que nous puissions arriver dans les mois qui viennent à une solution satisfaisante pour toutes les parties intéressées.

En présence de la situation actuelle, ma délégation est prête à engager les négociations Dillon avec la Délégation canadienne et à examiner avec elle toutes les questions qui la préoccupent.

Veillez agréer, cher monsieur McKinnon, l'assurance de ma très haute considération.

F. DONNE

223.

DEA/14052-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 1545

Geneva, October 5, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: T&C Ottawa (Warren), Washington, Brussels, London, NATO Paris, Paris, Finance Ottawa (McKinnon and Annis), Agriculture Ottawa from Ottawa.

GATT: FUTURE OF DILLON ROUND TARIFF NEGOTIATIONS

1. You may have seen press reports, notably that in the *Times* of September 28, that Dillon Round timing had slipped again and that negotiations could not repeat not be concluded until end November. This is not repeat not quite the whole story.

2. At Tariff Negotiation Committee on September 26 there were some pessimistic comments, notably from the Chairman, Wyndham-White, that insufficient progress was being made to enable the main negotiations to be concluded in substance by October 31 and indeed that the smaller negotiations (Switzerland/EEC, Sweden/EEC) were far behind schedule. This was intended not repeat not as a prophecy but more as an attempt to goad Americans to decisive action.

3. The Dillon negotiations are indeed almost at a stand-still, for the following reasons. First, the inability of USA delegation to take a definitive position on the major items outstanding from Article XXIV:6 negotiations with EEC (wheat, coarse grains, other agricultural products, automobiles and parts) and to decide the scope of the final and revised USA offer to the EEC in the Dillon Round. Second, the inability of the EEC delegation to take any initiative, and even to proceed with the bilateral negotiations with any degree of competence. Our UK and USA colleagues report that in the absence of Donne negotiators facing them show an almost incompetence, and that no repeat no progress is being made on the resolution of even minor statistical difficulties. Hijzen has now recognized this problem and has asked Schell, Dutch representative here, to attend all negotiating meetings and to report to him. Third, the inability of the Special Committee of the EEC, and indeed of the Council of Ministers, to make decisions affecting these negotiations. This is believed here to be due in the main to stalling by French, who are believed to be seeking a watering down of EEC linear offer, either by cutting it from 20 percent to 10 percent, or by having a significant number of items withdrawn.

4. Wyndham-White is convinced (in part by advice from Klein) that in the absence of some USA initiative French stalling tactics will lead to protracted negotiations, running into December and January, and virtual failure of the Conference. Senior members of American delegation are well aware of these difficulties but they have not repeat not been able to get instructions which would enable them to take appropriate steps to force the pace. Corse accordingly returned to Washington last Saturday to seek a new mandate. Meanwhile Wyndham-White has been in touch with Ball, who has promised to get the additional White House authority apparently needed to conclude negotiations with EEC. Wyndham-White has put it to Ball that if the negotiations are not repeat not concluded in substance prior to the opening of UK/EEC negotiations in Brussels in mid-November there will be a serious risk that UK/EEC tariff negotiations here will collapse, in large part because these tariff negotiations will appear more and more anomalous. This could well endanger the whole Conference. Further, if a Ministerial Meeting of CPS is to address itself to new proposals for reduction in barriers to trade it is essential that the main Dillon Round negotiations be concluded in substance prior to that meeting.

5. When October 31st target was set it was realized that a further month or two would be needed for the conclusion of minor negotiations, for documentation, signing of agreements, etc.

6. In part as a result of Klein's urging, Wyndham White has now proposed to Ball that USA make high level representations in Paris to persuade French to abandon their stalling tactics. It is proposed to make similar representations in Rome, Bonn and Brussels so as not repeat not to appear to be singling French out for USA attack. To concert these proposals Wyndham-White is meeting with Martin (State) Freeman, Secretary of Agriculture and Corse next Tuesday in Paris.

7. We have reviewed with Wyndham-White Canadian negotiating position vis-à-vis USA and EEC in outline; we have asked him in speaking to USA representatives about a possible agricultural settlement under Article XXIV:6 to press USA to settle wheat now on the basis of the present Canadian proposals. Wyndham-White is aware that if USA were to open its own negotiations on wheat our position might be undercut.

8. We hope you will agree that these developments make it quite essential that we be authorized to put a significant expanded offer to USA on the table, and to move as rapidly as possible to conclude an agreement. If a result of the proposals to be considered in Paris, USA does move to conclude main negotiations by end October and if we do not repeat not get into real negotiations soon, we will seem to be playing a rather unhelpful and obstructive role. We will find ourselves negotiating under pressure and in a situation which will not repeat not help us to get a balanced agreement. By the same token, if we can now move fairly quickly we should be able to capitalize on the desire of USA delegation to reach agreements quickly. They would value an early agreement with Canada in order to force the pace with their other major trading partners. This could be turned to our advantage.

9. In sum, it seems to us that rapid action by us in getting into effective negotiations with USA is imperative, both to maximize the possibilities of making a good agreement with USA, and perhaps more important of doing what we can to ensure that the Dillon Round does not repeat not collapse, with all the serious consequences that that would have for USA trade policy.

224.

DEA/14052-1-40

*L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Belgium
to Secretary of State for External Affairs*

TELEGRAM 733

Brussels, October 23, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel E-2105 Oct 17.†

Repeat for Information: London, Washington, Paris, NATO Paris, Bonn, Hague, Rome, Geneva, Tariff Delegation, T&C Ottawa, Finance Ottawa, Agriculture Ottawa, Bank of Canada Ottawa, PCO Ottawa from Ottawa.

TARIFF NEGOTIATIONS – WHEAT SETTLEMENT

We made our representations to the Commission today to Mansholt who was accompanied by Rabot, Meyer Burckhardt and Mostin as well as Hoven, Rey's Assistant Chef de Cabinet. Rey was unable to attend.

2. Our approach was along the following line. Our Tariff Delegation in Geneva had agreed on a draft settlement which the Commission had undertaken to have approved by EEC countries. Indications that the Community might not repeat not ratify that agreement had seriously disturbed Canadian authorities. The proposed settlement was on the one hand less than Canada considered herself entitled to by virtue of her existing contractual rights and on the other hand was in accord with the Community's philosophy for a Common Agricultural Policy. A satisfactory wheat settlement was of vital importance to Canada in the context of Article XXIV:6 negotiations and Canadian-EEC trade relations generally. We hoped that at their meeting tomorrow the Council would approve the agreement as it had emerged from Geneva negotiations.

3. Mansholt said our representations were timely. The draft settlement as negotiated by Rabot would have the full support of the Commission in Article III Committee and since the matter would probably not repeat not be settled there because a political decision was involved before the Council itself. Unfortunately unanimous approval of all six member states was required and France was opposed. Mansholt did not repeat not give us any reason to believe the draft settlement would be approved in its present form, particularly in regard to coverage but he made it clear the Commission would press for it.

4. Rabot pointed out he had warned our Tariff Delegation during the negotiations that French might cause difficulties, particularly on the question of coverage of the draft settlement.

[SYDNEY] PIERCE

225.

DEA/14052-1-40

*Le représentant permanent auprès du Conseil de l'Atlantique Nord et de l'OECE
au ministre du Commerce*

*Permanent Representative to North Atlantic Council and OEEC
to Minister of Trade and Commerce*

TELEGRAM 3089

Paris, November 16, 1961

SECRET. OPIMMEDIATE.

Reference: Tariff Delegation Tel 1858 Nov 11.†

Repeat for Information: External Ottawa, Washington, Rome (Barry), Tariff Delegation, GATT Delegation (Latimer) (OpImmediate), Finance Ottawa (McKinnon Reisman), Agriculture Ottawa (OpImmediate) from Ottawa.

Following for Minister Trade and Commerce from Warren.

Tariff Delegation's reference telegram reports prospective impasse in our important tariff negotiations with USA. Although delegation is holding line on our latest settlement proposals, there is imminent danger of no repeat no agreement or only a most limited bargain promising little trade gain. From point of view of our exports we should certainly endeavour to secure concessions of priority interest which are offered by USA. But a sound and broad agreement with USA, or failure to secure such an agreement, is also very important from point of view of Canadian interest in USA Government's very recent proposals for a new trade policy which would overcome the limitations of present reciprocal trade agreements legislation.¹⁰⁶

2. In circumstances I wish to suggest that Canadian side make a further effort to help secure a settlement. This should, however, be matched by a change in the rigid attitude so far adopted by USA Delegation in Geneva.

3. Much seems to depend on the exaggerated value which USA Delegation attaches to a concession on aluminum. This is an item we are anxious to obtain and our Department would greatly regret its exclusion from package.

4. Although USA is asking for much more (paragraph 4 reference telegram) I think it would be worthwhile to try for larger package suggested by Tariff Delegation (paragraph 5 reference telegram) through offering to eliminate our tariff on the important commodity on which I gave you a memorandum last month and which you will readily identify.

¹⁰⁶ Voir/See George Ball, "Threshold of a New Trading World," *Department of State Bulletin*, Vol. 45, No. 1169 (November 20, 1961), pp. 831-37.

5. Mr. Fleming has already discussed this commodity with Prime Minister who at the time was disinclined to authorise. I wish to suggest, and Mr. Fleming agrees, that you might reopen the subject with Mr. Diefenbaker. Thereafter it would also be necessary to talk with Mr. Nowlan. Hector McKinnon would, I know, be glad to brief you for these discussions.
6. Issue is whether or not repeat not we are to get a tariff agreement with the USA covering over \$260 million of trade. In this connection particular tariff concession to which I have referred may well be critical. Against this must, of course, be measured presentational difficulties in the province particularly affected. An offsetting factor would of course be the lower costs in the parts of the country where American product is used.
7. Mr. Fleming, who has seen this message and who will be back in Ottawa on Tuesday, would be glad if you should decide to take up this important cause, and would of course continue to support it. He has spoken to Mr. Ball about state of the tariff negotiations and has urged that USA Delegation be given more flexible instructions to permit a mutually satisfactory agreement with Canada.

226.

DEA/14052-1-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence tarifaire du GATT*

*Secretary of State for External Affairs
to Delegation to GATT Tariff Conference*

TELEGRAM E-2401

Ottawa, November 24, 1961

SECRET. OPIMMEDIATE.

NEGOTIATIONS WITH U.S.

For Grey from Annis

1. This morning Mr. Fleming reviewed the suggestions for further Canadian offers affecting agricultural products which were set out in Richards' letter of November 16.† Turner was present and had cleared with his Minister where required. Mr. Hees had been expected, but was unable to attend.

2. The Minister's decisions were as follows:

7(b) – Edible offal – You may offer to match the proposed U.S. reduction.

14 – Tallow – You may approach Australian Delegation on basis suggested and if they agree, may offer U.S. a reduction to 15 percent.

EX.45A, EX.46 – Bread – Offer of 7½ percent rate is authorized. Please note that wrapped bread is dutiable under item 45A at 20 percent.

EX.90B – Prepared horseradish – Reduction to 17½ percent is authorized.

99E(2) – Dates, N.O.P. – No repeat no change is authorized. Canadian date packers would strongly oppose any reduction. Present item provides only incentive to import in bulk and pack in Canada. Trade coverage is much less than you thought. Your figures include dates already free under items 99D(1) and (2) and 99E(1). Free entry under item 99D(1) and (2) was provided for in 1959 budget. Since then nearly all imports have been free. Dutiable imports from U.S. were only \$66,000 in 1959 and \$29,000 in 1960. Effect of a concession on item 99E(2) would be to encourage imports from Iraq and Iran to come in packages rather than being packaged at Halifax, St. John and Toronto as at present.

EX.45A, 66A, 141 – Flour mixes, biscuits and sugar candy – No repeat no reductions can be authorized on these items.

EX.711 et al – Canned dog food and canned cat food – Reduction from 20 percent to 15 percent is authorized on canned product. The concession would not repeat not cover dog biscuits or other pet food.

EX.208T, EX.711 – Dried brewers yeast for animal feed – Removal of duty is authorized. We will accept U.S. suggestion that item 219G be amended by deletion of words “when valued at more than twenty-five cents per pound.” Item should be numbered 219G et al.

5(d) – Animals, living, N.O.P. – If U.S. introduces proposed reduction from 7½ percent to 5½ percent, you may offer to go to 5 percent. However you should know that imports actually dutiable under this item are only about \$100,000 per annum. Statistical classification includes some imports free under other items.

152(g) – Blended orange and grapefruit juice – This important item is somewhat sensitive. Accordingly you should not repeat not put it in play unless full value can be obtained for it. The Minister has authorized offer of reduction to 7½ percent only if it is clear that U.S. place a high value on it.

152(h) – Fruit juices, N.O.P. – This item includes apple juice and grape juice. Apple juice is sensitive and grape juice very sensitive. No repeat no concession can be authorized.

227.

DEA/14052-1-40

*La délégation à la Conférence tarifaire du GATT
au secrétaire d'État aux Affaires extérieures*

*Delegation to GATT Tariff Conference
to Secretary of State for External Affairs*

TELEGRAM 2120

Geneva, December 28, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tel E-2547 Dec 19.†

Repeat for Information: Washington, Brussels (Priority), Finance (McKinnon, Annis) Ottawa, Agriculture (Barry) Ottawa (Priority) from Ottawa, T&C (Warren) Ottawa (Priority).

TARIFF NEGOTIATIONS: GENERAL REPORT

In your reference telegram you asked for a general report on state of play at Tariff Conference.

2. There are a number of major negotiations not repeat not yet concluded. They all wait upon a settlement between EEC and USA. EEC and USA have more or less merged their Article XXIV:6 and Dillon negotiations; as reported in our telegram 2118 December 21† USA have put to EEC certain proposals involving wheat, poultry, coarse grains, rice, certain non-cap items, automobiles and parts, and are now awaiting EEC's response. Whether EEC can respond effectively while major decisions are not repeat not yet taken regarding cap is an open question.

3. UK/EEC and UK/USA Dillon Round agreements and Canada/EEC XXIV:6 agreement are all integrally connected to USA/EEC negotiation and therefore cannot repeat not be concluded until USA and EEC have reached an overall settlement. Both UK agreements are substantial (i.e. cover some hundreds of millions of dollars to trade) and could, we are told, be signed almost immediately USA and EEC settle.

4. Canada has concluded and signed Dillon Round agreements with Israel, Portugal, Spain, USA; we have had exploratory talks with Switzerland, Sweden, Nigeria and EEC and have

concluded that there are no repeat no basis for Dillon negotiations with those countries; Swiss are pressing us to review position; we have had inconclusive talks with Danes.

5. Australia has withdrawn from Dillon Round. Only UK agreement signed is with Israel. USA has formally concluded Dillon Round agreements with Austria, Cambodia. Canada, Denmark, Haiti, Israel, Pakistan, Peru, Portugal and Switzerland, and there are a number of others (e.g. New Zealand) in the mill. (We are sending one copy of each of USA lists of concessions, as they become available, to Warren by bag.) Norway has concluded with Cambodia and Israel. EEC has concluded with Israel (subject to inclusion of certain concessions in EEC/USA agreements) and Cambodia.

6. As for negotiations for accession: Israel and Portugal had concluded enough negotiations to warrant CPS admitting them to agreement at end of 19th session. Cambodian delegation has gone home, having concluded with Norway, Czechoslovakia, USA, Sweden, EEC. Spanish return here January 8 to resume key negotiations with EEC and USA; Spain had formally concluded only with Canada.

7. Swedish and Swiss Dillon negotiations with EEC, which once threatened to hold up Conference, will presumably become less significant now that decisions have been taken to open negotiations for association.

8. For Canadian Tariff Delegation, remaining tasks are to seek XXIV:6 settlement with EEC (wheat, coarse grains, aluminum), to reach agreement on legal issues with EEC, prepare Canadian schedules to protocols, check other countries schedules and to seek settlement of Article XXVIII textile renegotiations.

CHAPITRE II/CHAPTER II
ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD
NORTH ATLANTIC TREATY ORGANIZATION

PREMIÈRE PARTIE/PART I

RÉUNION MINISTÉRIELLE À OSLO, 8 AU 10 MAI 1961
MINISTERIAL MEETING, OSLO, MAY 8-10, 1961

228.

DEA/50341-40

*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 1081
SECRET. OPIMMEDIATE.

Paris, April 28, 1961

OSLO MEETING: REVIEW OF THE WORLD SITUATION

The course of events at ministerial meetings is always hard to anticipate but you would probably want us to suggest how discussion might develop. On this basis, we should be inclined to speculate as follows. As you will recall, it has been recommended that Mr. Rusk should open the discussion on the review of the international situation. The usual background papers have been provided on the USSR, Eastern Europe, the Mid East and Far East and Africa. There is also Section 1 of the Secretary-General's annual political appraisal which bears on this subject. This year's appraisal, submitted by the Acting Secretary-General, is more drab than in Mr. Spaak's days. The background papers, while useful reference documents, are not repeat not of themselves likely to promote much discussion if any.

2. It seems to us, therefore, that there is a very good chance that the review of the world situation is likely not repeat not to be closely related to the background papers on the annual political appraisal but to concentrate on certain specific subjects such as Laos, Cuba, Angola, disarmament, Berlin, Germany and possibly China. Laos seems particularly likely to come up for discussion because four of the ministers attending the NATO Conference will presumably be going on to Geneva for the Conference on Laos. It would not repeat not be surprising if many of the remaining eleven wanted the four who will be going to expose their views on Laos. This would be particularly so if the four were to meet together while in Oslo. There might even be some tendency to expect the four to possess somewhat similar attitudes or, alternatively or in addition, to take with them an expression of the views of their other NATO colleagues. In other words, there may be some tendency to want a discussion on Laos. This should not repeat not however lead to a reference to Laos in the communiqué. Lord Home, as co-chairman of Geneva Conference, intends to participate in debate according to UK permanent representative.

3. Cuba is not repeat not mentioned in any experts paper because there is no repeat no expert group on Latin America. We understand that Mr. Rusk will refer to Cuba in his remarks, and there may be a tendency on the part of the majority to give support to Mr. Rusk.

4. Angola is certain to be mentioned by the Portuguese Foreign Minister. His remarks are likely to be bitter. He may concentrate on the Portuguese thesis that when one member of the Alliance deems its vital interests to be involved in a subject being discussed at the UN the other members of the Alliance have an obligation, if they cannot support the member, at least to refrain from strengthening the hands of the ally's opponents. The Portuguese permanent representative has already attacked USA policy in this respect at length and severely. In his reply the USA representative put forward the suggestion, which we understood was his personal idea rather than something taken from his instructions, to the effect that it would be useful in this context to consider whether USA and UN attitudes on colonial questions are in error. This suggests a possible and useful counterpoise to Portuguese complaints over lack of support on Angola, along the line that what the Portuguese want to discuss is only half the question: it is not repeat not just a question of whether what its allies are doing is bad for Portugal, but also of whether Portuguese colonial policy is bad for the Alliance. This problem has never been tackled in NATO discussions. Oslo might provide an opportunity to divert discussion from recriminations into a more fruitful approach to the liquidation of the problem of colonialism. We must realize however that it is bound to make bad blood between some allies.

5. A suggestion has already been made that the Permanent Council should review the Western disarmament position as it was left on June 27, 1960. It is possible that this idea will take root in a number of foreign ministries. An early meeting of the newly created committee would in our view be unrewarding. It is also possible that the depressing course of the Geneva talks on nuclear test suspension will have resulted in a reappraisal of the value of those negotiations by the UK and the USA. It would in addition be surprising if there were no repeat no curiosity to know how the private discussions between the USA and the USSR forecast in their statements in the First Committee of UNGA were progressing.

6. Recent reports speculate about the possibility that Khrushchev has already come to the conclusion that he must not repeat not expect to get much out of the Kennedy administration. It seems possible that some participants might want to link this idea with German and USA ideas which have been current for some time about Soviet intentions to promote another Berlin crisis during 1961. NATO has little part in contingency planning of late and has very little knowledge of what contingency planning has been done by others. There could well be an attempt to try to secure better knowledge of plans already formulated. The Acting Secretary-General's political appraisal notwithstanding, no repeat no substantial progress has been made on NATO consideration of possible economic countermeasures to communist pressure below the crisis level. We believe that Mr. von Brentano will press hard for firm support from Germany's allies for the classical German position on Berlin and Germany, and that he will want a strong reference to it in the communiqué. Lord Home is expected to suggest that the USSR will make things difficult for the West over Berlin shortly.

7. On China in view of closeness of Geneva Conference on Laos there may be a tendency to try to develop a common Western appraisal of the value and modalities of allowing Communist China to take the Chinese seat in the UN. There may even be some desire to try to harmonize Western policies.

8. It seems to us possible that in addition to concentrating on particular questions such as those we have discussed in paragraphs 2 to 7 there will be a tendency to mention some of them in relation to the principle of political consultation. Political consultation is one of the subjects which should come up for discussion under long-term planning and it is most likely that some Foreign Ministers, such as Mr. Spaak, will speak of the inadequacies of our past political consultation (as they see it) in relation to the review of the world situation. In this context they would probably complain about the inadequacy of consultation in relation to specific questions

such as Cuba, Africa, etc. In doing so it is to be expected that several will be prepared to welcome a greater degree of harmonization, or co-ordination or agreement on policy even on problems outside the NATO area as a result of consultation in NATO than has been the case until now. The views expressed by Messrs. Harriman and Acheson in their remarks to the Council are likely to lend strength to this tendency. Secretary Rusk's views will be important in this regard.

9. We have heard no repeat no suggestions so far that there will be a post-mortem on the last session of the UN as such. Discussion of questions like Cuba, Angola, and disarmament will probably tend to involve discussion of the UN, but we would suspect that the attitude of most members will show very little change from that which became apparent at the December Ministerial Meeting.

10. Enquiries suggest that Mr. Rusk is likely to concentrate on Cuba, political consultation and NATO strategy. Lord Home is expected to concentrate on Laos and on NATO strategy, without, as the UK permanent representative puts it, becoming involved in military matters. Mr. Spaak is expected to concentrate on political consultation, Mr. von Brentano on Berlin and the German problem, and the Portuguese Foreign Minister (who may not repeat not be Matthias) on Angola.

11. I shall check with Mr. Stikker when he returns next week to try to learn how he intends to conduct the meetings in Oslo.

229.

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. 178-61

[Ottawa], May 1, 1961

SECRET

MEETING OF NATO FOREIGN MINISTERS,
OSLO, MAY 8-10 – CANADIAN POSITION

This is the meeting of Foreign Ministers of NATO countries which takes place each spring to discuss the main issues of international concern, the problems of the Alliance and to review planning in the non-military fields.

2. The agenda includes the following main items:

- (i) Review of the international situation;
- (ii) Annual political appraisal;
- (iii) Long Term Planning;
- (iv) Special economic problems of Greece and Turkey;
- (v) Other business;
- (vi) Date and place of next meeting;
- (vii) Communiqué.

3. Since the agenda is cast in general terms and does not reflect accurately the main substantive issues facing the Alliance, we have prepared for the guidance of the Canadian Delegation the attached paper which sets out proposed guide lines on the main substantive problems which are likely to arise at Oslo.

4. While in accordance with traditional practice, the meeting will be concerned primarily with non-military items, it is reported that two or three Ministers may make reference to NATO strategy under the third item "Long Term Planning." It is expected that Ministers will be asked to approve a procedural resolution recommending that the Permanent Council continue its discussions of NATO strategy. With this in mind we have included a section on NATO strategy in the attached paper. This Section (III) has been approved by the Minister of National Defence.

5. I recommend that the attached paper be authorized as guidance for the Canadian Delegation at the Oslo Ministerial Meeting.

H.C. GREEN

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET

NATO FOREIGN MINISTERS MEETING – OSLO
GUIDELINES FOR CANADIAN DELEGATION

I. GENERAL

Canada wishes to see the Alliance strengthened. To this end it is in favour of the Permanent Council completing its review of Long-Term Planning, particularly on military and strategic questions where the discussion is still at a preliminary stage.

A good deal of progress has been made in defining the scope and objectives of consultation on political and economic questions and it seems likely that Ministers will be able to reach agreement on these aspects of consultation at the Oslo meeting. Canada considers that the exchanges in the Council on the principles and theories of consultation have been most useful. What is now required is that countries should demonstrate by their actions their willingness to consult with their partners on problems which affect the other members of the Alliance.

II. POLITICAL PROBLEMS

A major source of weakness and disunity in the Alliance is the divergence of views on (a) colonial questions and (b) international peace-keeping activities.

(a) *Colonial Questions*

The current international scene is dominated by the fact that subject peoples everywhere are demanding the rights of freedom and self-determination and will not be satisfied with less. Refusal by the colonial powers or their friends to recognize this fact can in the long run lead only to costly defeats. If, on the other hand, the members of NATO, individually and collectively, will as a matter of policy help the progress of such areas towards the orderly development of their own political, social and economic institutions the end result in terms of peace and stability will be to the mutual advantage of all.

Some members, and particularly Portugal and Belgium, hold the view that their NATO partners should support their positions when colonial issues are discussed in other forums and particularly in the United Nations. They argue that at the very least their NATO friends should not join in attacking their policies and should consequently abstain when resolutions criticising their colonial policies are voted on.

The Canadian view, which appears to be shared by the majority of the members of the Council, is that it would be unwise to attempt to develop a NATO bloc for voting purposes at

the United Nations. We consider that there should be frank exchange of views on these issues in the NATO Council so that each country can be informed of the concerns and interests of those directly concerned before deciding what position it should adopt at the United Nations or elsewhere.

(b) *Peace-Keeping Activities*

We consider that international peace-keeping activities are complementary to the efforts of the Alliance to maintain world peace and security. One of the striking features of the world today is that the situations which pose a serious threat to peace often arise in peripheral areas undergoing transition to independence from colonial rule; e.g. the Congo and Laos. In order to deal with such situations experience has shown that we must often rely on the activities of agencies or peace-keeping machinery sponsored by or under the auspices of broadly based organizations such as the United Nations. In our view the long-term aims of the Alliance can be furthered and NATO can gain strength if all members are prepared to recognize the important role of these peace-keeping activities in the preservation of world peace and are willing to lend their full support.

We believe that this view is shared by the majority members of NATO but there are some who disagree. France, for example, has directly criticized the United Nations and has refused to give its support to the U.N. activities in the Congo.

Progress in overcoming the present divergence of views on these issues cannot possibly be achieved unless the members of the Alliance are prepared to discuss their national policies frankly in the Council as much as possible. The NATO Council should be regarded as the clearing house for all the ideas which allies hold about world problems. Canada recognizes the need to make a more determined effort to find common ground among the allies in their international policies. But wherever common ground is found not possible, the policy of each should not be fixed according to the lowest common denominator, nor should a false unity be maintained through "papering over the cracks."

Consultative Machinery

Canada considers that the existing NATO machinery for consultation is adequate. What is required is a genuine willingness to consult; members should demonstrate by their frequent and timely use of present consultative procedures that they are anxious to avoid a situation in which the Alliance of its members would be seriously affected by the adoption of firm policies or the making of major political announcements without prior consultation.

While we believe the present machinery and procedures for consultation to be satisfactory we would not oppose the suggestion regarding the creation of new committees if and when there seems to be valid reason for their establishment, so long as they report to the appropriate existing agencies of NATO, retain their secret character and are open-ended so that all interested members of the Council may participate if they wish to do so.

We are not in favour of the suggestion for an Atlantic Policy Advisory Group and we would suggest deferring consideration of it until the new Secretary-General and the Permanent Council have had an opportunity to study it carefully since it would clearly have a bearing on his responsibilities on the activities of the Council and on his relations with it.

III. DEFENCE – NATO STRATEGY

Although this question will not be under direct discussion at Oslo, the Alliance is faced with the urgent and continuing problem of how it is to share and control its nuclear weapons in pursuit of NATO objectives. In the Canadian view the Permanent Council should continue to explore these problems; in so doing care should be taken:

(a) to ensure that nuclear weapons are only used on the basis of decisions taken at the highest level of political authority;

(b) not to endanger the chances of negotiating a universal and comprehensive disarmament treaty by letting the spread of nuclear weapons get out of hand;

(c) to prevent the unnecessary build-up of autonomous national atomic forces in order not to prejudice stability or disarmament;

(d) not to detract from the main purpose of nuclear weapons as a deterrent to war.

Canada supports the U.S.A. initiative of stressing the importance of fulfilling the obligations to build up conventional forces required for the NATO shield under MC/70 to raise the threshold of response to possible attack by conventional forces.

IV. OTHER FORMS OF NON-MILITARY COOPERATION

Canada considers that effective and mutually consistent economic policies are essential to the maintenance of the strength and solidarity of the North Atlantic Alliance and to the development of a genuine sense of community among its peoples. Thus any commercial or economic rivalries or divisions which may arise between member countries or groups of countries are a matter of concern to NATO not simply because of their economic consequences but often because of the far-reaching political implications.

Canada considers that the OECD represents an important step towards translating into practical forms of action the principles of economic cooperation embodied in Article II of the NATO Treaty. It is our hope that it may prove possible through consultations in the OECD to reduce and eventually to overcome existing economic and commercial differences and thereby strengthen the Atlantic community.

On economic questions generally Canada believes that the general line of policies which the Western countries have developed in relation to trade and aid problems are sound. We consider that if they are followed with greater vigour and determination they can be effective in countering the spread of communism through economic penetration. The Alliance can play an important role in developing the political will to pursue such policies and to accept the sacrifices which some of them involve.

The two most important consultative roles for NATO, in our view, relate to the economic consequences of the defence efforts of member countries and the methods, aims and consequences of Sino-Soviet economic policy. The implementation of our national policies in this latter respect must, however, be effected through those agencies specially suited for the tasks involved; e.g. the OECD, IBRD, IMF, etc.

Canada recognizes the special problems of the less developed countries in NATO (Greece and Turkey) and supports the proposal that a group of experts should be appointed to examine these problems in detail. While we believe that the more prosperous European countries have a special responsibility to provide assistance to the less developed members of NATO, Canada will be prepared to examine these problems constructively with its NATO partners in the light of the report of the group of experts when it is available.

V. HEADS OF GOVERNMENT MEETING

Canada attaches importance to convening, after due preparation, a NATO Heads of Government meeting. We consider that the possibility of such a meeting should be kept under continuing review by the Permanent Council in the light of developments.

230.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], May 4, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. J.S. Hodgson).

. . .

N.A.T.O. FOREIGN MINISTERS' MEETING; CANADIAN POSITION

17. *The Secretary of State for External Affairs* said that a meeting of N.A.T.O. Foreign Ministers would be held in Oslo from May 8th to 10th to discuss the main issues of international concern, the problems of the Alliance and a review of planning in non-military fields. A memorandum had been prepared for the guidance of the Canadian delegation, setting forth proposed guidelines on the main problems. A section had been included on N.A.T.O. strategy, because it had been reported that a resolution would be proposed recommending that the Permanent Council continue its discussions of N.A.T.O. strategy. This section of the memorandum had been concurred in by the Minister of National Defence.

An explanatory memorandum had been circulated. (Minister's memorandum, May 1st – Cab. Doc. 178-61.)

18. *Mr. Green* went on to say that the German foreign minister had recently indicated that he wished to discuss the Berlin problem at the conference and that the West German government was proposing the inclusion of a strong reference to this subject in the conference communiqué. From the Canadian viewpoint, however, there had been no recent developments to warrant re-examination at this time of the N.A.T.O. position on Berlin, and numerous other questions were more in the forefront. On the other hand, some reference to Germany might be included in the communiqué. He recommended that the Canadian position should be that the communiqué should state that the Alliance supported the reunification of Germany by democratic means and asserted the right to protect the freedom of the people of West Berlin. He believed such a declaration would be acceptable to the United States.

19. *During the discussion* the following points were raised:

(a) The Berlin problem should not be a principal feature of the communiqué, but some reference to it should be included because of its importance. The approaching election in West Germany was probably a reason for the desire of that country's foreign minister to have a strong reference included.

(b) Discussion of economic assistance to Greece and Turkey would probably give rise to proposals for a greater level of assistance to underdeveloped countries. The more prosperous European countries had a special responsibility to the less developed members of N.A.T.O.

20. *The Cabinet* approved the recommendations of the Secretary of State for External Affairs.

(a) that the Minister's explanatory memorandum of May 1st (Cab. Doc. 178-61) be authorized as the statement of the Canadian position on various international subjects, for the guidance of the Canadian Delegation to the meeting of N.A.T.O. Foreign Ministers to be held in Oslo from May 8th to 10th; and

(b) that the Canadian Delegation be authorized to concur in the inclusion in the conference communiqué of a statement that the Alliance supported the reunification of Germany by democratic processes and re-asserted the right of the Alliance to protect the freedom of the people of West Berlin.

...

231.

DEA/50102-AC-40

Rapport de la délégation à la réunion ministérielle

Report by Delegation to Ministerial Meeting

SECRET

[Ottawa], May 31, 1961

NATO MINISTERIAL MEETING – OSLO – MAY 8-10

General

By common consent, the Oslo Ministerial meeting was a success. A friendly atmosphere prevailed throughout the meeting and the discussions were for the most part frank and businesslike. Credit for the success should be given to the Norwegian authorities for the excellent arrangements which were made, and to the new Secretary-General D.U. Stikker who conducted the proceedings most efficiently and in a general spirit of good humour.

In his first appearance before the Council, the United States Secretary of State impressed the Council with his lucidity of expression and competent grasp of the many problems on which he presented United States views. His performance contributed considerably to the overall success of the meeting and demonstrated that the new United States administration gives high priority to strengthening NATO cooperation and is prepared to give the kind of leadership and support which only the United States can provide.

The United Kingdom Foreign Secretary also played an active and constructive part in the discussions and reflected in a restrained yet forceful manner the renewed interest which the United Kingdom is taking in NATO affairs. The French Foreign Minister, Mr. Couve de Murville, as in the other recent NATO Ministerial meetings, made no substantial contribution to the discussions and with the exception of a fairly long intervention on the problems of Germany and Berlin, confined himself to a few academic comments on the wording employed in French versions of the drafts of the Communiqué and a general resolution on long-term planning.

From a Canadian standpoint one of the most welcome developments arising out of this meeting was the strong support given, especially by the U.S. and the U.K., to the oft-expressed Canadian view that there is no incompatibility between NATO interests and the broad interests and activities of the United Nations. Most speakers also endorsed the Canadian view that NATO should not act as a bloc at the U.N. and recognized the validity of our contention that the voting record of new U.N. members proved that it should by no means be assumed that they were committed or even inclined to support the Soviet position. (Full text of Mr. Green's statement contained at Annex "A".)†

The principal items on the agenda were the Review of the International Situation and Long-Term Planning which involved a continuation of the discussions begun at the 1960 December Ministerial Meeting on the problems of long-term planning in the non-military fields.

ITEM I – REVIEW OF THE INTERNATIONAL SITUATION

Germany and Berlin

All Ministers who spoke stressed the significance of recent evidence that the Soviet Union intends to provoke a crisis over Berlin later this year. A number expressed their belief that the timing of the expected Soviet initiative may be related to the German elections in September and the Soviet Communist Party Congress in October. It was expected that Soviet initiative would begin with an invitation to a peace conference on Germany and, in the event of a Western refusal to participate, the Communist states would get together and agree to sign a separate treaty with East Germany handing over Soviet rights and responsibilities to the East Germans.

The meeting reaffirmed that Western rights in Berlin and the freedom and security of the people in that city must be maintained. The substance of the 1958 NATO Declaration on Berlin was reaffirmed in the Communiqué¹ (copy at Annex "B")† in order to leave the Soviet Union in no doubt regarding the position of NATO members on this important issue. There was also general agreement that the Western position (as set forth at the 1959 Geneva Foreign Ministers' Conference) should be carefully examined and that this coupled with contingency planning should be a matter for continuing study by the countries most directly concerned and for consultation in the Council.

Although there was virtually no discussion of German reunification it was agreed, at the request of the German Delegation, to include in the communiqué a note of regret regarding the lack of progress on this question and a reaffirmation of the Western position that a peaceful and just solution for the problem of Germany including Berlin is to be found on the basis of self-determination.

Mr. Green remarked that the problem of Berlin posed a dilemma for both the West and Mr. Khrushchev; he observed that the latter is heavily committed to change the status quo in Berlin but there is some indication that he would like to avoid a dangerous crisis if he can do so without loss of face. After referring to the likely sequence of events surrounding any Soviet move on Berlin, Mr. Green stressed the need to examine again carefully the Western position in advance of any Soviet initiative.

Disarmament

The Council reaffirmed that disarmament by stages under effective international control remains one of the principal objectives of the Governments of NATO. Hope was expressed that the initiation by the United States of consultations with the USSR for the purpose of

¹ Voir OTAN, *Communiqués finals, 1949-1974* (Bruxelles, s.d.), pp. 143 à 145.
See NATO, *Final Communiqués, 1949-1974* (Brussels, n.d.), pp. 136-38.

arriving at mutual acceptable procedures will permit the resumption of negotiations about the end of July. It was agreed that the position of the negotiating members would be developed in close consultation with the Council.

On nuclear tests, Mr. Rusk painted a bleak picture of recent developments in Geneva and reported that his government was deeply disturbed about the indefinite continuation of an "unrequited moratorium" e.g. "the suspension of tests without inspection and control and the gradual erosion of the position that effective disarmament must involve effective inspection and control."

The meeting noted with approval that the U.S.A. and the U.K. had tabled a comprehensive draft treaty, but expressed concern that the negative attitude of the Soviet Government (their introduction of the idea of a triumvirate in any control arrangements) had raised new difficulties.

After welcoming the decision of the U.S. and the USSR to consult together, which led to the unanimous adoption of the resolution on disarmament at the last session of the United Nations General Assembly, Mr. Green voiced his concern about the future and particularly the situation which may arise at the next session of the General Assembly if the West does not seize and hold the initiative on disarmament in the coming months. He said it would be necessary to develop as early as possible sound western positions on such difficult questions as the composition of the negotiating forum and the principles which should guide the resumed negotiations. The Canadian proposals for an impartial chairman and for improving the effectiveness of the disarmament commission were relevant to the first question. The principles set forth in the Commonwealth Prime Ministers communiqué should provide a useful basis for approaching the second question.

NATO and the U.N.

Considerable support was expressed for the Canadian position that there is no incompatibility between support for U.N. activities and participation in NATO. After referring to Soviet interest in exploiting or even creating conflicts of interests between the new nations and the Western countries, Mr. Green advocated, as the West's long-term aim, the bringing of the new states into the community of free nations. The immediate task particularly for the more prosperous and highly developed members of NATO should be to give as much assistance to the new emerging nations without political or other strings attached.

The United States and Norway gave strong backing to Mr. Green's contention that the voting record of new member states in the United Nations proved that it should by no means be assumed that they were committed to support the Soviet position; on the contrary they had repeatedly rejected extreme Soviet attitudes, and particularly the Soviet attack on the Secretary-General. Both the United Kingdom and the United States stressed that while the new U.N. members are often difficult and sensitive the situation presented a great opportunity for leadership; rather than allowing themselves to become disenchanted with the United Nations, NATO members should explore every opportunity to develop support for Western views.

Laos

The situation in Laos was touched on mainly by Mr. Rusk, Lord Home and Mr. Green. The former disclaimed strongly any U.S.A. interest in Laos as a base for military operations and stated that the U.S.A. was thinking only in terms of Laos as a neutral and buffer between those living in the north and those in the rest of South East Asia. At the same time they were becoming increasingly concerned about the possibility of the communization of Laos by an armed minority supported from the north. Not only was Laos covered by the protocol to the SEATO Treaty but the Laotian question could have an important impact on security arrangements in other parts of the world, and on the attitude of other countries in the long-term

struggle between the Communist world and the free world. Lord Home observed that the West had a perfectly respectable policy of neutrality for Laos. The important thing was to hold the Russians to their proclaimed acceptance of neutrality and if they did not live up to their obligations in this regard, the West should make it clear to the world who can live with independence and with neutralism and who cannot.

Referring to the forthcoming meeting in Geneva Mr. Green advocated that the conference should seek to re-establish a position based on the 1954 Geneva Accords, i.e. a unified and peaceful Laos with neutral status, no foreign bases, no military formations on Laos territory, and foreign policy based on strict non-alignment. Neutrality should be supported by such agreements or declarations as would ensure recognition throughout the international community. He pointed to the problem of reconciling neutral status with economic and technical aid from outside powers and indicated that the control required in such a situation might be one of the responsibilities given to the International Supervisory Commission.

Congo

The main statement on the Congo was delivered by Mr. Spaak who made a relatively moderate plea for greater respect for international law by the United Nations and for not attempting to force a settlement on Katanga. He underlined his government's willingness to cooperate with the U.N. and urged that there be a thorough discussion of the Congo problem in NATO. He criticized the report of the Africa Committee especially in that it lacked any positive recommendations for action.

In the Canadian view, the main Western aims should be to preserve a neutral Congo in which legitimate Western interest may be maintained. Mr. Green contended that this objective can best be served by continuing to concentrate on action through the United Nations. He stressed the need for sustained and active support from the West; passive endorsement of the U.N. was not enough.

Peace-Keeping Activities

Using the Congo and Laos as illustrations, Mr. Green drew attention to the important contribution made by broadly based international peace-keeping activities to the broad objectives of the Alliance, the preservation of world peace and security. In particular such activities have usually been successful in insulating the major military powers from local conflicts or disturbances. Over the years, he said, Canada has taken it for granted that such activities have the full support of NATO members because they promote the peaceful aims of the Alliance. If members had any doubts about the value of these activities he said Canada would like to know about them. In the Canadian view, support for such activities should not be regarded as inconsistent with support for the Alliance. He emphasized that participation in such activities would not affect our agreed commitments to NATO and that taken together with our NATO commitments constitute what we would regard as Canada's contribution in global terms to the preservation of world peace and security.

Angola

The Portuguese Foreign Minister made a smooth but inflexible statement which was critical of the U.N. and which outlined Portuguese colonial policy in familiar terms; these views were rejected in a moderate manner by a number of representatives, especially Mr. Rusk, Lord Home and Mr. Lange.

The Turkish Foreign Minister was pretty well alone in expressing sympathy for Portuguese point of view. Surprisingly, Mr. Spaak took a rather defensive and fairly cooperative line on colonial issues. The French Foreign Minister did not intervene. The result of the discussion was that the Portuguese could not have been left in any doubt that they lack support for their policies from most members of the Alliance.

Cuba

As part of a general statement, Mr. Rusk spoke of United States concern about the situation in Cuba and of the need to apprise its partners of the situation. He made it clear that the United States would not intervene militarily with its own forces in Cuba but that the Castro régime had to be isolated politically, economically and, to the greatest extent possible, psychologically from the rest of the Western hemisphere. As the Foreign Minister of a country bordering on the Soviet Union and clearly concerned about the far-reaching implications of U.S. policy on Cuba, Mr. Lange "noted with satisfaction Secretary Rusk's assurance that there is no intention to intervene by force of arms against the Castro régime in Cuba, so close to the United States, even though that régime seems more and more firmly to align itself with the Sino-Soviet bloc.

Mr. Green said Canada shared the U.S. concern about the evidence of Castro's increasing orientation towards the Soviet bloc but that we were less certain that the use of "socialist" by Castro in his May Day speech was conclusive proof of complete adherence by Cuba to the Soviet bloc. There would still appear to be a strong nationalist element in the revolutionary movement and many of the social and economic changes could not and perhaps should not be reversed. In the Canadian view there was no practicable alternative to the principle that the Cuban people themselves should choose their own form of government. Outside interference might well do more harm than good. If there is to be international action it should at least carry the judgement of the other Latin American countries. Canada hoped that the possibility of negotiations would not be ruled out even if the prospect of concrete results were slight. Mr. Green added that it would seem desirable to try to make the attempt for the sake of relations with Latin America and for the sake of world opinion.

ITEM II – SECRETARY-GENERAL'S ANNUAL POLITICAL APPRAISAL

There was no discussion of the Secretary-General's report but the Danish Foreign Minister seized the opportunity to express concern about the detrimental effects on NATO political and military cooperation and European economic cooperation of a lasting split of Europe into two economic groups. He said Denmark would welcome a United Kingdom decision to negotiate towards its accession to the Treaty of Rome. If such a decision were taken, Denmark, because of its close ties with the U.K. and continental Europe, would wish to initiate similar negotiations. He concluded by suggesting that the final NATO communiqué should contain a reference to European economic integration and to the importance which NATO attaches to an early and equitable solution of the problem.

Mr. Spaak generally endorsed Mr. Krag's remarks and urged a substantive discussion of the problem in the NATO Council. Lord Home agreed with Mr. Krag on the importance of resolving the split in Europe and on the essentially political aspects of closer U.K. association with the Six. He said that in studying the problem, the United Kingdom would consult closely with her EFTA and Commonwealth partners. With respect to NATO consultation on this question, Lord Home shared the views of other speakers, including Mr. Green, that the OECD was better suited to discuss the problem fully and that it would not be advisable to refer to the question in the final communiqué.

ITEM III – LONG TERM PLANNING

Political Consultation

It was evident during the discussion of the international situation the previous day, that the scope and quality of political consultation had improved significantly. During the discussion of Item III most Ministers expressed general agreement with the report prepared by the Permanent Council which recommended that the objectives and political consultations should be:

- (a) to achieve a common policy on subjects of direct concern to the Alliance as a whole,
- (b) to coordinate or at least to harmonize policies to the maximum extent possible wherever complete agreement can be reached,
- (c) to avoid a situation in which the Alliance or any of its members would be seriously affected by the adoption of firm policies or the making of major political announcements without prior consultation.

Lord Home reflected the consensus when he said that what is really important is that each member of the Alliance should be conscious of the views of its partners on important international problems and that all should make a conscientious effort to harmonize their policies as far as possible. As stated by Mr. Rusk, coherence in NATO can be achieved “through seeking a consensus of our allies on major policy questions and this means consulting frankly about policies which are still in a formative stage and being willing to alter policies in the light of such discussions. At the optimum the consensus should be an agreement on common action in the best interest of the Alliance as a whole but at the minimum there should be an understanding on how to handle a disagreement so as to cause the minimum damage to the coalition.”

In effect, most speakers acknowledged that on certain issues, especially colonial questions, it was difficult to expect agreement and that we should not always attempt to achieve unanimity. Mr. Luns emphasized the need for frankness and said that silence can often be misunderstood especially if it is followed by disagreement in some other forum. Because of the friendly and informal atmosphere of the Council frankness should not lead to embarrassment or to friction; members should be willing to listen to criticism and to accept the fact that allies may have very valid reasons for disagreement.

On problems where the views of members obviously differ, Lord Home emphasized the need to keep our eyes open and to proceed with caution. He stressed that NATO should not lay itself open to accusations of interfering in the internal affairs of countries outside the Alliance, especially in Africa. He reminded the Council that the newly emerging states are very sensitive to any contacts within the military alliance.

On United Nations questions a number of speakers endorsed the Canadian view that members of the Alliance should not give the impression that we are acting as a bloc in the United Nations. Mr. Rusk mentioned that while the Council should be the primary forum for consulting, it is not as well suited to consultations on fast-moving situations which is usually the case at the United Nations or in respect of the pressing situation in Laos. The important thing is to have prior consultation in NATO on general policy objectives so that Governments are in a better position to deal closely with each other when critical moments of decision arise.

There was general agreement with the Canadian view that having completed its report the Council had gone as far as it could usefully go at this time in defining the objectives and principles of consultation. (Text of Mr. Green's statement at Annex C.)† What was now required was to ensure that these principles are fully and effectively applied. In the light of the attention being paid to issues outside the NATO area Mr. Green underlined the importance of not losing sight of the problems such as Germany and Berlin which were of direct concern to the Alliance as a whole.

New Consultative Machinery

Although there was no support for the United States proposal for an Atlantic Policy Advisory Committee it was agreed to give further study to a United Kingdom suggestion that meetings of planning experts be held once or twice a year. Ministers also approved in principle a United States proposal for special committees to deal with particular problems or areas on an ad hoc basis. As defined by Mr. Rusk, with Canadian support, it was agreed that such

committees should be open-ended, secret in character, and should meet when there seems to be a valid reason for convening such discussions. Lord Home suggested that since Mr. Spaak seemed particularly concerned about the need for more intensive consultations on Africa, the Belgian Delegation might propose in the Permanent Council that a special committee be established to discuss African problems and particularly the Congo.

Economic Questions

The meeting had before it a report prepared by the Committee of Economic Advisers outlining the scope and objectives of the Alliance in the economic field. Ministers endorsed the view set out in the report that the OECD should be the principal body for implementing the policies of the member countries in the economic field. They also agreed that while the new organization provides opportunities for translating into concrete forms of cooperation many of the objectives embodied in Article II of the North Atlantic Treaty, NATO should continue to be responsible for assessing (a) the economic implication of the defence efforts of member countries, (b) the economic growth and policies of the Soviet bloc and (c) Soviet bloc activities in world trade and payments and in the field of aid. Most Ministers agreed that NATO is the appropriate forum for exchanges of views on such questions and that it would also be appropriate for NATO to consider any economic problem in cases where political or military considerations warrant such discussion.

Civil Emergency Planning

The meeting took note of a progress report prepared by the NATO Committee concerned with Civil Emergency Planning on which Canada was represented. The Council recognized that effective planning and preparations in this field constitute an important element in the overall NATO defensive effort.

Defence Questions

Contrary to the impression conveyed by some press reports there was no substantive discussion of military questions. Some Ministers did, however, refer to defence questions in general terms in the course of their statements.

In connection with the discussion of long-term planning, however, it was agreed that the Permanent Council should be asked to continue, in close cooperation with the Military Authorities, its studies of all aspects of the military posture of NATO with a view to improving its deterrent and defensive strength. The Permanent Council was requested to have a report ready for the Ministerial meeting in December at which the Ministers of Defence and Finance will also be present.

Resolution on Long-Term Planning

Following the conclusion of the discussion of Item III Ministers adopted a general resolution which records the approval given to the reports prepared on political consultation and economic questions, invites the Permanent Council to put into practice the conclusions contained in the reports; and invites the Council to implement the principles contained in the separate reports on Civil Emergency Planning and Psychological Action (there was however no discussion of this report). The resolution also recorded the Minister's request to the Permanent Council regarding defence questions as indicated above. (Text of Resolution at Annex "D").†

Special Economic Problems of Greece and Turkey

This item was considered by Ministers as a follow-up to the resolution adopted at the 1960 December meeting which recognized that the defensive strength of NATO is dependent upon the economic health and balanced economic growth of all its member countries and which instructed the Permanent Council to examine the ways and means for providing on an adequate

basis the economic aid needed by the less-developed member countries. Following statements by the Greek and Turkish ministers on the economic problems of their respective countries most members, including Canada, expressed appreciation of the special problems faced by Turkey and Greece in their efforts to attain satisfactory levels of economic development. In view of the important contribution made by these countries to the common defence, Ministers agreed to the Working Group's report and to its main recommendation that a mission consisting of three highly qualified experts should be appointed by the Secretary-General, with Greek and Turkish approval, to study in detail the Greek and Turkish problems and to make a broad and realistic appreciation of the basic conditions for the balanced economic developments of the two countries.

Mr. Green expressed agreement with the Working Group's report and indicated that Canada would be prepared to consider these problems constructively with its NATO partners in the light of the report of the Group of Experts. (Text of Mr. Green's statement at Annex "E").†

NATO Heads of Government Meeting

Although this question was not formally on the Agenda Mr. Averoff and Mr. Green drew attention to the importance of convening, after proper preparation, a meeting of NATO Heads of Government. Mr. Green, after referring to the complaints which had been made by some speakers regarding the inadequacy of the NATO propaganda effort, expressed the view that nothing would attract greater attention to NATO and would inspire greater confidence and strength and validity of the Alliance than to have, after proper preparation, a meeting of the NATO Heads of Government at a fairly early date. He recommended that this proposal should remain under continuing consideration in the Permanent Council and expressed the hope that it would be possible to hold such a meeting before the year is out.

2^e PARTIE/PART 2

BERLIN

232.

DEA/50341-40

*L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures
Ambassador in France
to Secretary of State for External Affairs*

TELEGRAM 18

Paris, January 8, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Washington, Permis New York, NATO Paris, Bonn, CCOS, Brussels, Hague, DM/DND from CCOS.

By Bag Moscow, Warsaw, Prague, Berlin, Delhi, Oslo, Stockholm, Berne, Helsinki, Copenhagen, Vienna, Tel Aviv from London, Cairo, Ankara, Athens from Paris.

BERLIN: FRENCH POSITION

I had an audience late Friday with General de Gaulle who appeared tired and nervous, but he rose on his spurs when I mentioned Berlin.

2. In his mind the problem is clear and simple: the Soviets are using Berlin as a lever to move West Germany into neutrality "I recommended to Washington and London that the three nations should oppose a unanimous and emphatic no repeat no to Khrushchev's menace. Negotiations now can only lead either to failure which will put us in a worse position or to

dangerous concessions, however cleverly they may be camouflaged that will weaken not repeat not only Western Germany but the rest of Europe and the Western world. When West Germany is neutralized the Scandinavian countries will soon follow, Holland and Belgium will have no repeat no other alternative and finally France will have to come to an agreement with the USSR. Washington and London will then be faced with a stronger and more ambitious Soviet dictatorship. Is that what they want?"

3. "I am afraid the lesson of Munich has been forgotten. There is nothing to be gained through appeasing a dictatorship. Munich did not repeat not prevent war nor repeat nor the Western reverses. I do not repeat not want France to be associated with a policy that is leading in the same direction and probably to the same results."

4. While the General was regaining his breath I asked him whether he was paying any attention to public opinion which was longing for peace. How could governments expect their people to give their maximum effort if they were not repeat not convinced that everything had been done to protect peace. "Nations are great not repeat not because of their wealth or the size of their population but because of their will to survive in case of danger." I felt he was quoting a phrase from his own memoirs.

5. I asked the President what counter-measures he would recommend if as a result of his policy the Soviets were to sign a treaty with the DDR leaving her free to block our access to Berlin. He replied that our possibilities of reaction in Berlin itself were rather limited since the city was in the midst of Soviet territory. He dismissed the authority of the DDR as being merely a tool in Moscow's control. But Western reaction could take place on the maritime or air lines used by the Soviets. The West could become even more a nuisance to Soviet movements in the world than the Kremlin could be to us in Germany.

6. I suggested that such a reaction might cause a more violent one on the part of the Soviets and thus, by degree, we might be engaged into a world conflagration. The General rejected this idea without hesitation. "The Soviets are not repeat not that stupid. They will stop at the risk of having their territory and more so their régime smashed to pieces."

7. I enquired whether Chancellor Adenauer had agreed to the above analysis. If so, how had he concluded in favour of negotiations. "For fifteen years the Chancellor has based his whole policy on American cooperation. Having harvested the advantages it is difficult for him to change at this stage his policy on the ground that USA are proving less helpful with regard to Berlin. But he fully realizes that the votes he lost at the recent elections were as much against America as against himself because of lack of USA reaction when the fence was built in August last between East and West Berlin."

8. Finally I wanted to know whether tactics had anything to do with the President's position in the present crisis. He hesitated for a moment before admitting that in his opinion it was preferable for the Western policy to include at the same time hard elements and more compromising ones. "However this is certainly not repeat not concerted between us."

9. It seems to me that General de Gaulle is making the mistake of reasoning more along military than political lines. Above all Berlin is a political problem and not repeat not only an outpost against which a Soviet commando is reconnoitering in strength. The Western objective now should precisely be to prevent this political problem from becoming a military one. This is the time for diplomacy, that is for contacts and negotiation if possible. Negotiation is not repeat not essentially defensive. It can develop as much counter-pressure as needed. It can be offensive also. General de Gaulle could agree on this point. Therefore his position which is a purely personal one boils down to a lack of confidence in the negotiating capabilities and will power of his USA and British partners. It is too easy for him to adopt the role of a Pilate if as he argues Western Europe is at stake. This is not repeat not statesmanlike. President Kennedy could usefully talk to him in that sense.

[PIERRE] DUPUY

233.

DEA/50342-40

*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], May 11, 1961

CONVERSATION OF GERMAN AMBASSADOR IN MOSCOW WITH KHRUSHCHEV

Messages from London and Bonn† have given us a fairly clear idea of the conversation between Mr. Kroll and Mr. Khrushchev on April 24. The following are the main points of interest:

(1) According to Mr. Kroll, Khrushchev is disillusioned about the prospects of negotiating with President Kennedy on any major issue, including disarmament and Berlin;

(2) Khrushchev has apparently taken a firm decision to sign a peace treaty with the DDR before the end of 1961. He does not expect West Germany or the Western powers to participate in the peace conference although they will be invited. This timetable is slightly later than the one we had anticipated. We had assumed that Khrushchev would want to report some progress on the Berlin question to the Twenty-second Congress of the CPSU in October. He apparently told Kroll however that before precipitating a new Berlin crisis he should perhaps "renew his mandate" at the Congress;

(3) There is a striking absence of any reference by Khrushchev to the desirability of a negotiated solution to the Berlin problem. When the crisis was first precipitated by Khrushchev in November, 1958, the Soviet government insisted that it was prepared to negotiate its proposals.

(4) In the conversation, Khrushchev revealed more than he has before of his thoughts about what will happen after the peace treaty is signed. Western rights in Berlin and on the access routes to Berlin will then have to be negotiated with the East German government. The Soviet government will not interfere. Khrushchev saw no reason why the surface access routes could not be kept open on mutually acceptable terms (except for military traffic) but he said that if he were Ulbricht he would close the air corridors and insist that Western aircraft enter Berlin under normal civil air agreements with the DDR. If the West resisted these arrangements, Khrushchev said he would put a ring of troops around Berlin and leave it to the West to fire the first shot.

Assessment of Conversation

2. The reports of the conversation should be read with two reservations.

(1) Mr. Kroll does not have a good reputation as a reporter. In the past he has coloured his accounts of conversations with Khrushchev, possibly unconsciously, or possibly because he wishes to influence Chancellor Adenauer in a particular way. We have learned from members of Kroll's staff that he is arrogant, convinced of his special ability to deal with the Russians, and unwilling to take advice from persons better informed than he.

(2) Khrushchev was aware that what he said to Kroll would play an important part in the formation of Western policy. There is no reason to suppose therefore that everything he said represented his real thoughts.

3. The most surprising thing about the conversation is the absence of any reference by Khrushchev to a negotiated settlement of the Berlin problem and, apparently, of any interest on his part in negotiation. He may have omitted reference to negotiations for tactical reasons, Kroll may have played down what he said about negotiations for his own tactical reasons, or Khrushchev may genuinely have decided that negotiations were impossible and abandoned efforts to bring them about. The last of these alternatives seems unlikely. What Khrushchev is threatening to do in Berlin is mainly for the benefit of the East German régime. For it, and for the stability of Eastern Europe generally, he is threatening to precipitate a crisis which could lead to nuclear war, but about which he will get no sympathy whatever in the under-developed world, or indeed anywhere except in Eastern Europe. It therefore seems reasonable to conclude that Khrushchev would still like if he could to avoid dangerous unilateral action, and that he therefore has not lost his interest in negotiating on Berlin. His failure to say so to Mr. Kroll was perhaps a tactic, designed to stimulate in the West the kind of thinking which it did in fact stimulate in the U.K. Ambassador in Moscow. Sir Frank Roberts recommended to his government that the West make "a reasonable attempt to offer some prospect of an eventual settlement by negotiation." We should not accept the Kroll-Khrushchev conversation as conclusive evidence that Khrushchev is no longer willing to look at a reasonable gesture from the West.

"Izvestia" Article of April 20

4. Khrushchev made a point of telling Kroll that he had personally directed the writing of the article on Germany and Berlin which appeared in *Izvestia* on April 20. I am attaching a copy of this article for your information. Most of the article restates familiar Soviet positions, but its main theme is that "all reasonable time limits have elapsed" on the questions of Berlin and a German peace treaty. Questioned by Mr. Kroll, Khrushchev admitted that he was thinking in terms of months rather than days or weeks, and that the end of 1961 was the final date for action.²

N.A. R[OBERTSON]

² Note marginale :/Marginal note:
Noted by P.M. H.B. R[obinson]

234.

DEA/50341-40

*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 8, 1961

SOVIET AIDE-MÉMOIRE ON GERMANY AND BERLIN

The aide-mémoire which Mr. Khrushchev gave President Kennedy during their talk in Vienna³ does not alter in any substantial way the Soviet proposals for Germany and Berlin which were first put forward in November 1958. It does, however, contain elements which on a first reading appear to be new, and which are designed to make the Soviet proposals look more reasonable. I would like to draw these changes to your attention because it will be important for us to refute any suggestion that the substance of the Soviet position has altered, or that the West is in a less defensible position than before when it rejects the Soviet proposal in its present form. (Mr. Kennedy said in his broadcast that the proposal as it stands is not acceptable.)⁴ The apparently new elements are the following:

(1) *Two Treaties*

The aide-mémoire proposes that if the Western countries do not wish to sign a peace treaty with the GDR, they may sign one with the FRG only. All countries may sign with whichever Germany they prefer, or with both. However, it is stipulated that although the two treaties "need not be completely identical" ... "they must contain the same provisions on the most important points." The Russians have never before suggested more than a single treaty with both parts of Germany.

Obviously a peace treaty between the Western countries and the FRG alone would be a meaningless document, since the Brussels Treaty⁵ and other measures have ended the state of war between them and settled various other problems arising out of the war. The Russians have made their proposal for a treaty with the FRG parallel to their own treaty with the GDR, partly to give the latter an appearance of greater respectability and legality. They realize that a treaty whose principal provisions were acceptable to them and to the GDR government would not be acceptable to the FRG government. We can conclude therefore that they have added the "two treaty" concept mainly in order to make their proposals look more reasonable in the eyes of the world.

(2) *Withdrawal of Germany from NATO*

The Soviet draft peace treaty of January, 1959, required both parts of Germany to withdraw from their military alliances, NATO for the FRG and the Warsaw Pact for the GDR. The Vienna aide-mémoire departs from this in stating that the two Germanys could continue in their alliances for a limited time after the treaty was signed. There is little substance in this apparent concession. The original Soviet proposal called for the neutralization and demilitarization of both parts of Germany. Obviously the Russians do not expect to achieve anything like this in the next six months. It is therefore easy for them to offer such a

³ Voir/See "Texts of Soviet Memoranda on German Peace Treaty and Nuclear Tests," *New York Times*, June 12, 1961, p. 13.

⁴ Voir/See "The President's Report," *New York Times*, June 7, 1961, p. 40.

⁵ Voir/See W. Eric Beckett, *The North Atlantic Treaty, the Brussels Treaty and the Charter of the United Nations* (London: Stevens and Sons, 1950), pp. 59-64.

concession (although they are careful to say that they would not sign a treaty which permitted Germany to remain permanently in NATO) in order to make their proposals seem more reasonable.

2. The sections of the aide-mémoire which deal with the timing of Soviet action on the German problem are ambiguously worded, but do not seem to imply much change from previous Soviet proposals, or to invalidate our conclusion that the Russians intend to take at least the first step by the end of 1961. The aide-mémoire calls upon the United States (and presumably the other two powers) to “take a decision” immediately on summoning a peace conference and, presumably at the same time, to issue an appeal to the two German governments to negotiate with one another on the problem of reunification and other “internal” problems. If the three Western powers are not ready at this time to “take a decision” on summoning a peace conference, the Soviet Union is prepared to agree to an “interim period” of fixed duration. The aide-mémoire seems to mean, although it does not explicitly state, that if, six months from now, the two Germanys have failed to negotiate or to agree, and the “interim period” (which will presumably not be longer than six months) has resulted in no progress, then the Soviet Union will immediately summon a conference at which they will sign a peace treaty with the GDR. Most of this is not explicit in the aide-mémoire, but it does seem reasonably clear that the end of 1961 remains Khrushchev’s deadline for setting these processes in motion.

3. We must now examine (and prepare to consult with our NATO allies) our attitude to the aide-mémoire, to an invitation to a peace conference (which we can anticipate) and to the Berlin problem as a whole. Dealing with the aide-mémoire and with a possible invitation are essentially propaganda problems; evolving a Canadian policy on the problem of Berlin is a question of substance. We are conscious of the need to have our position carefully prepared before we are called upon to take a public stand.

4. We are now preparing for your consideration instructions which our NATO Delegation will be able to use when the Soviet aide-mémoire and related problems are discussed in Council. We have tentatively concluded that one important Soviet reason for applying pressure on West Berlin is to obtain from the West recognition of the permanence of existing German frontiers, and of Soviet hegemony in Eastern Europe. (The Vienna aide-mémoire suggests that this could be done without formal recognition of the East German régime.) The Russians are probably sincere in their belief that the Germans would not hesitate to attempt to recover their lost territories in the East if they thought they could do so successfully. The Russians think also that German acquisition of nuclear weapons (they already have carriers) is inevitable. An important Soviet objective therefore is to remove the legal basis for German claims, and to obtain some form of commitment from the West that it would not support a German attempt to revise German frontiers. The exposed Western position in Berlin gives the Russians a means of applying pressure on the West to attain this objective. From this it may be possible to deduce the kind of settlement which would meet Soviet requirements. It would then remain to see whether such a settlement would bring serious disadvantage to the West. This is the line which we are taking in our current study of the Berlin problem.

H.C. G[REEN]

235.

DEA/2462-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Soviet Union
to Secretary of State for External Affairs*

DESPATCH NO. 584

Moscow, June 14, 1961

SECRET

DISCUSSION WITH MIKOYAN

As promised in my telegram No. 295 of May 26, † I am enclosing a memorandum on my conversation of May 8 with Deputy Premier Mikoyan. I apologize for not transmitting this in an earlier bag.

2. As you will see, most of the conversation dealt with Germany. In the absence of firm instructions about Canadian Government thinking on the German question, I naturally made it clear that I was expressing personal views. I trust, however, that under the circumstances the line I took, subject to this important qualification, was satisfactory to you, in an effort to have the beginning of some Canadian-Soviet conversations here on Soviet thinking about current East-West problems. While there is nothing new in what Mikoyan said, I myself found his remarks of interest as far as they went, as indicating something of the grounds for Soviet concern. Personally I think that the Soviet leaders are also, and perhaps chiefly, concerned about the stability and viability of the East German régime, but Mikoyan did not seem prepared at this stage to speak at all frankly about this.

3. Since my visit to his office I have had a few brief conversations with Mikoyan at receptions. He has been very friendly, but nothing further of importance has emerged on political questions. On trade I indicated that I had received a reply to his observations and that I thought his legal experts had misinterpreted the situation. I indicated briefly the points made in your telegram No. E-1036 of May 26. † Mr. Mikoyan suggested I discuss this further with the Trade Minister (who is at present away) on his return. I shall do this in due course.

ARNOLD SMITH

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'ambassadeur en Union soviétique
Memorandum by Ambassador in Soviet Union*

SECRET

[Moscow], June 14, 1961

DISCUSSION WITH MIKOYAN

1. I had a little over an hour's talk with Deputy Premier Mikoyan in his office in the Kremlin on May 8th. After preliminary courtesies, including a few questions by him about my time in Kuibishev and in Moscow during the war, the conversation turned to current affairs. I told Mr. Mikoyan that I wanted to keep my government objectively informed about Soviet government thinking on outstanding international problems, and would appreciate an outline of his views on what he considered the most important questions ahead of us in the next year or so.

2. Mikoyan said that while there were a number of peripheral questions, the two problems of major importance were certainly Germany and disarmament. Mikoyan said that the Soviet government was inevitably concerned about the growing rearmament and revisionist ideas of

West Germany. The Soviet Union naturally need not be afraid of Germany, since it was strong enough to take care of its own security, but nevertheless West Germany's unwillingness to accept the status quo and to recognize the fact that there were now two German states was dangerous. The West Germans might some day find a pretext for using force against East Germany, and this would make it necessary for the Soviet Union to come to the assistance of the East Germans. NATO would then come to the help of West Germany and this could lead to a major war. This danger was real, and it was not good.

3. I said it was my impression that it was the East Germans and the USSR which seemed unwilling to accept the status quo, of which the freedom of West Berlin and its open communications to the West were a part. Mikoyan said that Berlin was obviously a part of Eastern Germany, and the present situation where East Germany was not recognized was an anomaly. But the freedom of Berlin was not threatened, this was merely Western propaganda: the Soviet Union and the Eastern Germans had said that its status as a free city could be guaranteed. The danger came from West Germany's rearmament, the support it got from NATO, and its ambitions to upset the post war settlement. I said that I had the impression that it was the Communist countries which were trying to apply pressure to upset the present situation. Though this situation was curious and in origin artificial, history showed a number of situations which had begun artificially but had jelled. I thought the present situation if left alone could continue for a good many years: Eastern pressure to upset it seemed to be the new and dangerous element in the situation. Though the status quo was not particularly satisfactory to either side, it had best be left alone.

4. Mikoyan indicated that the situation would have to be regularized. The USSR would like to have everyone concerned sign a peace treaty with both Germanies. It seemed clear that the West would reject the Soviet invitation to a conference for this purpose. So the USSR would itself proceed to sign a separate peace with East Germany. This would settle the two major problems of frontiers and of Berlin.

5. I said that in my personal opinion it would be salutary all around to recognize that the difficulties in the present situation resulted largely from Soviet mistakes. There had been for example a profound lack of frankness to the West, on the part of Stalin in 1944 and 1945. Personally I, who had spent several years of the war here in Russia, could well understand the concern by Russians and by other East Europeans about any revival of German militarism, and their desire to keep Germany divided: though this denial of self-determination to the Germans was contrary to the usual principles advocated by all governments. Emphasizing that I was speaking entirely for myself on this point, I said that in my own view if Stalin had indicated frankly during the latter part of the war and in the months immediately thereafter to his Western allies, that he wanted a divided Germany, the Western great powers would at that time have accepted this. In that case the lines of the occupation zones would no doubt have been drawn in a more logical way, and we would not have the present problem of Berlin being left as an island without immediate access to western zones. However Stalin had stated that he wanted a united Germany, and the Western Governments had gone along with this.

6. It seemed to me, I added, that another of Stalin's mistakes was his several years delay in disarming and his continued military pressure on Western and Mediterranean countries. It was this, and then the Communist attack on Korea in 1950, which had brought the West reluctantly to admit Germany to NATO. Since then it was Western fear of the continuing Soviet military pressure all along the periphery of the Communist world which had played the fundamental part in bringing Western countries to encourage and assist West German rearmament. Many people in the West had been reluctant to do this, but had felt that Soviet pressure, and the overwhelming land forces maintained by the USSR in Europe, left them no alternative.

7. I said that I personally was quite prepared to admit that we in the West had made a number of serious mistakes, in our relations with Russia and other areas, from the time of the Russian Revolution on. I thought it would be salutary if Russian leaders would recognize that they too had made some pretty serious blunders. I would like to do what I could to reduce tensions and dangers, and to improve international understanding. I could assure him that Canada, and the West as a whole, greatly desired just this. But it seemed to me personally that in the situation to which we had now got, further Russian military and diplomatic pressure on the West in general and on Germany and Berlin in particular was unwise: it seemed to me to be precisely a compounding of earlier blunders, and a further extension of the policy which has largely caused the present problems for both of us. To deliberately set out to build up tension and exerting pressure in the present situation could be dangerous. I personally thought that an opposite policy could on the other hand prove effective for both East and West. If steps were taken to develop a suitable international atmosphere of increasing confidence, many things, such as the recognition of present German frontiers, might well in due course be negotiable. But a threat to the freedom of the people of West Berlin seemed in the West like a threat to the freedom of Norway or Greece or other territories guaranteed by NATO. This certainly could be very unwise because it was not a matter on which the West could be expected to retreat. We must both learn to live and let live with the status quo until we could improve mutual confidence and secure agreed adjustments on points of differences.

8. Mikoyan did not seem to like this very much. I cannot tell how much impression my recital of Soviet strategic blunders made on him. It is always hard to tell whether points have really got home with Communist leaders. But of course sometimes they do, and I think one must persevere in the hope that frank discussions may eventually affect their thinking.

9. However this may be, Mikoyan said, perhaps in a rather patronizing way, but also I think in an effort to be objective and fair, that he recognized that Canada had shown objectivity, courage and some degree of independence as well as goodwill on various occasions. He cited our policy during the "Suez aggression" by Britain, our refusal to go along with the American boycott of Cuba last year and the recent "American aggression" there and our sale of wheat to China, as examples of this independence. Having ticked off summarily these three points of approbation he said he nevertheless wondered to what extent Canada could really expect to be independent and pursue a truly independent foreign policy in view of its membership in NATO.

10. I said that there were a certain number of Canadians who thought that Canada could have a more independent and constructive influence in international affairs if we were neutral and outside NATO. Mikoyan answered that he knew some Canadians thought this and had been delighted to find that there were such sensible elements in the Canadian public. I replied that the people who thought in that way were a small minority, and that most Canadians considered that their international influence, and their contribution to the maintenance of peace, was much greater as a member of the North Atlantic Community than it could be outside this natural co-operative grouping. I said that most Canadians were firmly behind NATO and felt that Canadian influence could be most useful in trying to ensure that NATO as a whole pursued realistic, moderate and intelligent policies. This did not by any means imply an automatic acceptance of U.S.A. or U.K. policies. On the contrary, the NATO countries consulted and debated policies together. Our influence in this regard was far greater than Mikoyan might realize since on the occasions when we disagreed with one or other of our larger allies a considerable section of officials and public inside the larger countries, in my experience, tended to share the Canadian assessment of the common interest, and we could thus have a real voice in influencing common policy. Since our geography meant that we would in any case be affected by any major crisis, we felt safer to have a voice in shaping policies which would in any case affect all our futures.

11. I went on to say that I thought that another profound mistake which the Soviet Union has tended to make in foreign policy was to try to disintegrate NATO. I could understand, personally, the concern of the many Russians and East Europeans about the danger of a possible revival of German militarism. But it seemed to me that West Germany, which was already a very dynamic and strong country, offered much less cause for valid concern by other Europeans, including particularly East Europeans, precisely because Germany was a member of a well integrated North Atlantic Community. If the Soviet Union should ever succeed in its attempts to disintegrate NATO (which I thought they could not do) and if Germany was then able to pursue a more unfettered foreign and military policy of its own, this would I thought not be a contribution to the security of East Europe.

12. I asked Mikoyan whether he personally really thought that the world would be a safer place if in North America Canada, and reciprocally if in Europe Poland, East Germany and say Hungary, should break away from their present associations with larger groupings, and had governments which pursued independent and neutralist policies of their own. Mikoyan seemed rather startled by this question, and I had the impression that he did not much like it. He said that the Warsaw Pact had been organized merely in response to NATO. I said that the Warsaw Pact seemed to me not of the essence: the essential grouping of Eastern Europe was inherent in the cohesion of the Communist Party regimes. I did not think it desirable to pursue this theme further, and Mikoyan for his part seemed anxious to change the subject. He said he wanted to speak to me about Canadian-Soviet trade, but first he wanted to say something very briefly about disarmament.

13. On disarmament Mikoyan said that the Soviet Union considered an agreement of fundamental importance to the whole future of humanity. Naturally the Soviet Government thought that its own approach, including the programme which they had proposed for complete disarmament in a few stages, was the best approach. However, if the West did not like that approach the Soviet Government would be quite prepared to consider alternative partial approaches. They were waiting for the United States Government to prepare its position and hoped that Washington would indicate its readiness, very soon now, to begin serious discussions.

14. I said that the problem of controls and an objective inspection system seemed to me pretty fundamental. Mikoyan said the Soviet Government was prepared to accept inspection, but he immediately indicated that he did not want to go into this question of Troikas and launched into his remarks about Soviet Canadian trade, and his view that Canada had been guilty of a breach of our trade agreement with the USSR, when the latter had tried to sell gasoline to Canada last autumn. I reported Mikoyan's remarks on this in a separate telegram (my telegram 258 of May 9, 1961).†

ARNOLD SMITH

236.

DEA/50341-40

*L'ambassadeur en République fédérale d'Allemagne
au sous-secrétaire d'État aux Affaires extérieures*

*Ambassador in Federal Republic of Germany
to Under-Secretary of State for External Affairs*

PERSONAL AND CONFIDENTIAL.

Bonn, July 6, 1961

Dear Norman [Robertson],

I find international developments during the past few months even more than usually puzzling. I would like to know what you think.

Am I right in thinking that the public posture of the West over the Berlin affair is largely irrelevant to the problems which we are in fact likely to confront during the next twelve months or so? My feeling is that unless Khrushchev behaves more stupidly than we have reason to expect he is scarcely likely to confront the West with the issue of fighting for the freedom of West Berlin. The recurrent issue which the West is likely to face in 1962 is surely rather what to do each time Khrushchev cuts another paper thin slice off the Berlin salami. I do not find it credible that the West can make a world-shaking crisis over any one of these thin slices.

To recognize this is the beginning of wisdom.

I do not suggest that the public posture which the West has taken is wrong or that the propaganda line of the West is wrong. But I fear we may be in danger of misleading ourselves by our public posture and propaganda. Smoke screens can be useful provided the smoke does not get into one's own eyes.

This does not mean that I rule out the possibility of war arising out of the Berlin crisis. But if war comes it will come because mobilization leads to a pre-emptive strike.

The West has two cards to play in negotiations over Berlin – *de jure* recognition of the Oder-Neisse line, *de facto* recognition of the DDR. The longer we put off playing these cards the less the cards are worth. The time has, I suggest, come to launch a highly complicated and delicate series of prolonged secret diplomatic negotiations among the Western powers and with the Soviet Government to find out whether we can get a really free and independent city of Berlin in return for *de jure* recognition of the Oder-Neisse line and *de facto* recognition of the DDR. Later all three Germanies (East, West and Berlin) could be admitted to the United Nations.

Obviously this policy embodies risks and disadvantages. But I think that other possible policies are even riskier and on balance more disadvantageous.

There is one other aspect of the current discussion which has puzzled me. There seems to be a lingering belief in some quarters that the NATO powers can keep this issue out of the United Nations. I find this belief hard to comprehend.

As you know from our work on the Coordination Committee at San Francisco the true meaning of the Charter is not that the Security Council has the right to deal with threats to international peace but that it has the duty to deal with them. The more the NATO and Warsaw powers emphasize the danger of the Berlin crisis to world peace the stronger the argument that the Security Council should deal with it.

The uncommitted countries meet in Belgrade on September 1. Will not they put the Berlin crisis on the agendas of the Security Council and the General Assembly – and in so doing be acting in accordance with their obligations under the United Nations Charter?

I look forward to discussing these and other problems with you when I'm back on home leave. My present plans are to spend the week of August 21 on duty in the Department (commuting from the farm with Patrick [Reid]). I hope you will be in the Department that week. Then I promise I won't bother the Department until the two or three days before we sail back to Germany.

Ruth and I enjoyed having Jules and Gaby Léger with us last weekend. They have certainly been through purgatory during the last twelve months.

Affectionate regards to Jette [Robertson].⁶

Yours ever,

ESCOTT [REID]

237.

DEA/50341-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 2162

Washington, July 6, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 2160 Jul 6.†

Repeat for Information: London, NATO Paris (Priority), Permis New York, Paris, Bonn (Priority), Brussels, Rome, Hague from Ottawa.

By Bag Warsaw, Moscow, Berlin, Prague, Copenhagen, Athens, Lisbon, Ankara, Oslo from London.

GERMANY AND BERLIN

Following is text of summary of proposals in your S-268† as transmitted to State Department July 6. Begins: Berlin

As a contribution to the forthcoming NATO discussion on the problems of Berlin, Canadian authorities have it in mind to propose that consideration be given to the concept of a supplementary agreement on Berlin which might, at an appropriate stage, be put forward as a Western counter-proposal to the positions taken by USSR. Ideas as to the elements of such a supplementary agreement are indicated below. It should be understood that these suggestions do not repeat not represent final Canadian views on this problem. The cardinal feature of such an agreement, however, would be that it would maintain unimpaired and unrestricted the present measure of Western rights in Berlin. Once these rights were renounced in a new contractual arrangement, it would be difficult, or impossible, to revert to them. Thus, it would be important that any new agreement on Berlin be recognized, insofar as it concerned West Berlin, as clearly and specifically supplementary and without prejudice to the present status of the Western powers in Berlin.

A supplementary agreement on Berlin with such a reservation of existing Western rights might very well be unacceptable to USSR, but it could nevertheless be put forward at the appropriate time as clear evidence of the Western powers flexibility and willingness to negotiate. Its presentation would have some value in appealing to public opinion and to

⁶ Note marginale :/Marginal note:

This is a very good letter. [Norman] R[obertson]

uncommitted countries. It would be necessary to avoid any commitment to reduce substantially the military forces of the Western powers in West Berlin, or to accept the establishment of Soviet forces there.

The following are suggested points, a number of which might be included in such a supplementary agreement:

- (1) The affirmation of the continuation of the present rights of the Four Powers, including their rights of access;
- (2) The establishment of an interim régime covering the whole of Berlin, which would not repeat not be a part of either East Germany or West Germany;
- (3) The régime would automatically terminate when Germany is reunited with Berlin as its capital;
- (4) A Four-Power Commission to discuss, and perhaps negotiate, problems affecting the whole of Berlin to fill the need for a continuing Four-Power forum in place of the now inoperative inter-allied authority for the "Greater Berlin" area. Representatives of governments of both the Federal German Republic and the German Democratic Republic might be associated with this Four-Power body, without according recognition to the GDR. (This idea would, to some extent, meet the suggestion in Soviet aide mémoire delivered at Vienna for direct negotiations between the two Germanys);
- (5) A UN presence with clearly defined responsibilities for investigation, and perhaps adjudication of complaints;
- (6) Guarantees to all German citizens of freedom of access to Berlin and access to both Germanys for all Berliners.
- (7) A "pilot" arrangement for a controlled ban of nuclear weapons in greater Berlin which could provide some experience in control and inspection techniques.

Care would, of course, have to be taken to present any proposals along the foregoing lines at the appropriate time in some sort of formula which would both serve to keep discussions going and, at the same time, would constitute a sound propaganda base if they were rejected and made public by USSR. It is also for consideration whether certain of the provisions mentioned above, such as the first and sixth, might not repeat not be adequately established by a unilateral declaration on the part of the Western powers which would not repeat not require the explicit public agreement of USSR. Ends.

238.

DEA/50341-A-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, July 6, 1961

BERLIN: CONTINGENCY PLANNING

Reactions to the Prime Minister's speech, including references to Berlin, to the Kiwanis International Convention at Toronto on July 3,⁷ and his subsequent statement in the House on July 4 have led to certain reactions which should be brought to your attention.

⁷ Voir/See Canada, Department of External Affairs, *Statements and Speeches*, 1961-62, 61/7.

2. The German Ambassador in a conversation with me on July 5 expressed enthusiastic satisfaction with the Prime Minister's statements and told me that he and his Secretary (Prince Bismarck) had carefully translated the Prime Minister's remarks on both occasions and sent them to Bonn including what he referred to as "the nuances of the Prime Minister's remarks."

3. The Italian Ambassador came to see me on July 6. He likewise expressed satisfaction with the Prime Minister's statements and said that on the face of it, the Canadian and Italian Governments seemed to be in agreement on the general approach to the Berlin problem. He questioned me, however, on the Canadian approach to the matter of negotiation. He said that in his view it was obvious that the Western Powers had to negotiate, since "a war over visas" was unthinkable. The Soviet Government had been very careful in limiting the risks of war by the way in which Khrushchev had put several alternatives and by emphasizing his willingness to negotiate. The Italian Ambassador emphasized the view however that the field of negotiations should be clearly defined in advance through consultation among the NATO powers so that the West, while using negotiations to prevent war, should not find themselves weakening the security of Europe or the freedom of the people of Berlin.

4. Basing myself on telegram S-287 of July 5 to NATO, Paris,† I told the Ambassador that at present Canadian comment was limited to the U.S. reply to the Soviet aide mémoire and that we would not wish to see substantive proposals included in the reply pending further consultation among allies. I also said that we were considering possible proposals at an official level but that detailed proposals had not yet been formulated.

5. The Italian Ambassador said in conclusion that since President Kennedy had re-stated the determination of the Western powers "to stand on their rights" in Berlin; rights obviously could not be re-negotiated but only restated. In the circumstances the Western aim should be to try to reach a *modus vivendi* with the Russians over Berlin which would give a minimum degree of *de facto* recognition to the East German authorities in the event that the Russians carry out their intention of concluding a peace treaty with East Germany, in order to maintain access to Berlin and the freedom of its inhabitants. Incidentally, the Italian Ambassador told me that in a talk with the Soviet Ambassador subsequent to the Prime Minister's speech of July 3, Aroutunian had appeared to be upset by the Prime Minister's references to the Soviet Union.

6. Mr. Bryce and the Chairman of Chiefs of Staff, in a conversation with me on July 6, both suggested that it would be desirable to have an inter-departmental meeting to discuss Canadian implications of Three Power contingency planning. I also think that it would be desirable that Mr. Bryce and the CCOs be consulted before any substantive proposals are put to other governments on the possible basis of negotiations with the Russians over Berlin.

7. *Action Recommended.* I recommend that you consider calling a meeting for next week to which Mr. Bryce, the Chairman of Chiefs of Staff and Mr. Elgin Armstrong be invited, as well as representatives from European and Economic Divisions and D.L. (1) Division to consider:

(a) the draft of a telegram being prepared in the Department suggesting a possible basis of negotiations on Berlin (being prepared by the European Division);

(b) the implications for Canada of contingency planning (paper being prepared by D.L. (1) Division);

(c) possible economic measures which may be adopted in connection with Berlin.

G. I[GNATIEFF]

239.

DEA/50341-40

*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*

[Ottawa], July 11, 1961

BERLIN

The U.S. Ambassador called on the Minister at 3.00 p.m. on instructions, to report that, in the light of the discussions in the NATO Council, the U.S. Government had decided to change the proposed timetable concerning the presentation of the U.S. reply to Mr. Khrushchev's note on Berlin. The United States now proposed that there should be another NATO Council discussion on Saturday, and if the Council felt that further consultation was needed, another one on Monday, but the United States hoped that it will be possible for them to present a reply on Tuesday, July 18. The Minister expressed satisfaction with this changed timetable indicating that he felt that this would allow more time for consultation.

2. The Minister then enquired as to Mr. Merchant's opinion concerning the Berlin situation. The U.S. Ambassador said that he considered it very serious, particularly because Khrushchev had now committed himself very clearly in public. I referred to a recent report from Mr. Roberts, the U.K. Ambassador in Moscow, and mentioned that, in that report, Khrushchev had indicated some flexibility. It was true that once a peace treaty was signed with Eastern Germany there would not be much scope for manoeuvring, but Khrushchev had mentioned the possibility of arrangements being worked out before the treaty was signed.

3. The Minister then enquired as to Mr. Merchant's opinion as to the reasons why Khrushchev seemed to be so rigid. Mr. Merchant said that it was possible that Khrushchev had to face internal opposition but all the evidence that was available suggested that he was in full control of the situation. It was difficult to understand his rigidity.

4. The Minister then expressed concern that both parties might now be taking up public positions from which it might be difficult to retreat later. He said that if the situation became more threatening, this would be particularly serious for the U.K. as they were facing annihilation. He also said that while public opinion at this stage welcomed indications of firmness, it was a question, when the chips were down, as to how far people might be prepared to face nuclear devastation in order to provide support for West Berlin.

5. The U.S. Ambassador said that he agreed with the Minister that it would be impossible to carry public opinion unless it was satisfied that every effort had been made to find a compromise solution. He added that he did not see how the United States could retreat from the positions outlined in their note. The Administration, he recalled, was in the process of reviewing all aspects of the situation and they would welcome views on the part of their allies. He mentioned in particular the recent suggestions we had made in Washington concerning Berlin. He went on to say, however, that in regard to essentials it was very difficult to envisage a compromise. If one were to establish distinctions between the people of West Berlin and the people of West Germany, this could lead to further distinctions between the people of West Germany and those of France and then those of the U.K. Solemn commitments had been made to two million freedom-loving people in West Berlin. This was a larger population than some of the free countries in the world and if it was not possible to honour our obligations to these people who had taken risks to demonstrate their attachment to freedom, there would not be much faith in the future in any solemn commitments.

6. I intervened at this point to mention that if there was to be some negotiation later on, it was possible that a presentation of our case in legal terms might make it less easy for us, at the appropriate stage, to envisage accommodation. If we referred, for instance, to the East German Government as a mere puppet, as a simple instrument of Soviet foreign policy, such legal arguments might be used against us later very effectively should it be necessary, at some stage, to have some dealings with the East Germans at the practical level.

7. The U.S. Ambassador said that, as far as he could recall, all the elements of the proposal that we had made concerning Berlin had been rejected by the U.S.S.R. in 1959. He felt, however, that there might be some practical arrangements which could be suggested that might yet be acceptable to the Soviet side. In the past, the Soviet Union had made contractual arrangements with Eastern Germany and they had reserved the rights of the Western powers in Berlin. The difficulty was that in his current discussions of the problem, Khrushchev did not seem to envisage the possibility of such reservation.

M. CADIEUX

240.

DEA/50341-40

*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], July 17, 1961

GERMANY AND BERLIN

In your recent public reference to Germany and Berlin, you called for the West to show the flexibility necessary to permit discussions with the USSR if these prove possible and, at the same time, the firmness necessary to maintain the freedom of the people of West Berlin and the rights of the three Western powers on which that freedom is based.⁸ We are considering in detail what steps are necessary to apply these principles.

1. *Negotiations*

Our NATO representative, upon instructions, has requested early consideration of the various aspects of the Berlin and German problems in the NATO Council. I hope that other NATO members, like ourselves, will be prepared to suggest positions which NATO might take that would serve as a basis for negotiation with the Soviet Union but which, at the same time, would in no way jeopardize the freedoms of the West Berlin citizens and would also serve as a good propaganda position. At an appropriate time and subject to Cabinet approval, I may decide to put forward some proposals which would call for a supplementary arrangement in Berlin which would both acknowledge present western rights and offer certain modifications which might prove attractive to the USSR but which would not endanger the freedom of the citizens of West Berlin.

The United States reply to the Soviet aide-mémoire on Germany and Berlin is being discussed in the NATO Council and will be sent to the Soviet Union today. This reply re-states at length the legal basis for the rights of the Western occupation powers in Berlin but confirms in its final paragraph United States willingness to consider practical arrangements which might

⁸ Voir Canada, Chambre des Communes, *Débats*, 1960-61, vol. VII, pp. 7741 à 7742.
See Canada, House of Commons, *Debates*, 1960-1961, Vol. VII, pp. 7471-72.

improve the present situation in Berlin and to consider a freely negotiated settlement of the unresolved problems of Germany. This response should serve to keep the dialogue on Berlin going.⁹

2. Contingency Planning

At the same time as the possibilities of negotiations with the Soviet Union are being considered, concrete acts must be contemplated which will demonstrate to the USSR Western determination to remain in West Berlin. Many of these steps are also connected with the military problems which may arise if it ever becomes necessary to use force to maintain Western rights in the city. These problems, both civil and military and how they might affect Canada, are discussed in detail in the attached memorandum.

Consideration of all aspects of the Berlin problems, diplomatic, military and economic, are now being reviewed by the Departments concerned and at inter-Departmental meetings.

H.C. G[REEN]

241.

DEA/50341-40

Compte-rendu d'une réunion au Bureau du Conseil privé
Record of Meeting in Privy Council Office

TOP SECRET. CANADIAN EYES ONLY.

Ottawa, July 17, 1961

Present

Mr. N.A. Robertson, Under-Secretary of State for External Affairs (Chairman),
Mr. R.B. Bryce, Secretary to the Cabinet,
Air Marshal F.R. Miller, Chairman, Chiefs of Staff,
Mr. A.F.W. Plumptre, Assistant Deputy Minister of Finance,
Mr. A.E. Ritchie, Assistant Under-Secretary of State for External Affairs,
Mr. J.B.C. Watkins, Department of External Affairs,
Mr. Jean Fournier, Department of External Affairs,
Mr. W.R. Barton, Department of External Affairs,
Air Commodore R.C. Weston, Department of National Defence,
Brigadier D.A.G. Waldock, Department of National Defence,
Dr. N.J. Sutherland, Department of National Defence,
Mr. M.A. Crowe, Department of External Affairs,
Mr. R.P. Cameron, Department of External Affairs,
Mr. G.E. Cox, Department of External Affairs,
Mr. R.W. MacLaren, Department of External Affairs,
Mr. D.B. Dewar, Privy Council Office (Secretary).

1. *Mr. Robertson* said that we were already in a worrying situation in respect of Berlin, and we should be giving some study to the implications that it might have for Canada. The circumstances of the Berlin problem were not new but a crisis situation had been built up recently from the Russian side and should be taken seriously. The present phase of the problem began with the memorandum given by Mr. Khrushchev to President Kennedy in Vienna which re-stated the Soviet demands on Berlin. Copies of the memorandum were subsequently sent to the UK and France. This week the three Western Powers were making their replies to the Soviet Union.¹⁰ These replies would take a firm stand on Western rights in Berlin, largely on

⁹ Voir/See "Text of U.S. Reply to Soviet Note on Berlin and of 1944 Protocol on Germany," *New York Times*, July 19, 1961, p. 4.

¹⁰ Voir/See "Text of U.S. Reply to Soviet Note on Berlin and of 1944 Protocol on Germany," *New York Times*, July 19, 1961, p. 4; "La réponse française à Moscou," *Le Monde*, July 19, 1961, p. 4; United

legal grounds. The US answer in particular would make a cogent legal argument. All of the notes would contain some reference to a willingness to negotiate the problem but would not make specific suggestions about the nature of negotiations. Some observers believed that the Soviet Union would not move on the Berlin question before the German elections on September 17, or before the Communist party meeting in October. Mr. Khrushchev had said plainly, however, that he would take action on the problem before the end of the year. Discussion about Western policy had so far been carried on among the Western Big Three who had consulted with Germany and with other NATO countries in the NATO Council. These latter discussions were nearing a point where substantive issues would be raised and this country, among others, would be required to take big decisions on the subject. The problem had not so far been considered by the Cabinet.

2. *Mr. Bryce* said that Cabinet had discussed the Berlin question briefly and had agreed that there should be further study of it.

3. *Mr. Robertson* said the US appraisal, as it was stated publicly, was that there was a large element of bluff in the Soviet demands. To the extent that the US believed this, their policy was one of counter-bluff. They believed the Berlin situation had been working itself out satisfactorily (for example, there had been no serious East German disturbances for some years) and that the present crisis had been manufactured by the Soviet Union. There had been talk in the US press of US dependents being withdrawn from Europe and of higher levels of military readiness being declared later in the summer. There had also been a leakage, possibly deliberate, of some contingency plans. These reports might be circulated to impress the Soviet Union but if they were carried through into action, the Alliance would be put into some disarray. For example if the US withdrew military dependents from Europe and Canada did not, our inaction would tend to make the US action look like a bluff.

4. *Air Marshal Miller* said there did not appear to be anything in Berlin itself to require the degree of brinkmanship which the Soviet Union by its declarations appeared to be ready to undertake. Soviet complaints about the drain of refugees from East Germany and about West Berlin being a capitalist showplace and espionage centre were surely not great enough to justify the threat of major war. It must therefore be concluded that the Soviet objective was to break up the NATO Alliance by using Berlin as a lever. This might be too simple an analysis but it seemed that Berlin was essentially a pressure point the Soviets would use to exploit differences among the Western countries. Berlin was an impossible military problem from the Western point of view. It could not be sufficiently garrisoned for its defence nor could the access roads be opened by a reasonable amount of force once they were closed. From the Western viewpoint, any solution to the Berlin problem must surely be other than a military solution.

5. If this analysis was right, the important thing was that the Western coalition be united together under stress rather than fly apart. How far national views should be subordinated to reach common agreement on a position to be taken presented the difficult and complex part of the question.

6. *Mr. Robertson* said he thought a weakening of NATO was one objective of the Soviet Union but the present condition of Chinese-Soviet relations might explain why Russia was taking such a hard line about Berlin now. If this was true, it was a worrying interpretation because it would be difficult for Russia to back down.

7. *Mr. Bryce* said that the problem of brinkmanship was not so difficult for the Soviet Union as for the West. Russia could threaten actions which they thought would not cause war and

would meet their requirements for prestige but would be divisive to the West. The Russians probably believed that the West would not start a war because they signed a peace treaty with East Germany, but threatening to do so was attractive to them because it would almost certainly cause a division between Germany and the US. Khrushchev probably considered that the West was bluffing when we said we would not accept the consequences of a Soviet peace treaty with East Germany, and he was therefore leading us on in the hope that we would make further statements of bluff which he could then call and thereby destroy the position of President Kennedy who was his main adversary.

8. *Mr. Ritchie* suggested that the Soviet objective might be to stop German re-armament at a crucial point in its development.

9. *Air Marshal Miller* said this would have made sense at the time Germany began the re-armament process. All the commitments about German re-armament had, however, already been made now, and it was difficult to see the prevention of further German re-armament as the objective of the Soviet Union in formenting the present crisis.

10. *Mr. Ritchie* said that if Mr. Khrushchev thought Western countries were bluffing in taking a firm stand he might wish to provoke a military encounter with West Germany, either to destroy the German forces or else to show Germany that the US would not honour its obligation to stand with them.

11. *Air Marshal Miller* suggested that the humiliation of the US would anger them, make future US policy tougher and, at the very least, result in much larger US defence budget.

12. *Mr. Bryce* agreed that Khrushchev's big risk might be not war but the likelihood of subsequently facing an aroused US.

13. *Mr. Robertson* said that the Western Alliance had been maintaining a very extended policy position. We had kept open the question of the Eastern frontiers of Germany, we had refused recognition of the East German government despite the fact that it had been organized and had had *de facto* control of the Soviet zone for nearly 15 years, and we had continued to claim the unification of Germany as our objective. Although some of these policies no longer seemed tenable or these objectives attainable, they had been maintained for so long that it was difficult to change them without appearing to be accepting a major political defeat. If the West was prepared to accept the eastern frontiers of Germany as fixed and final and could move towards a *de facto* recognition of the East German Government (this would at one time have been a major political concession although it was now a concession of diminished value), would Khrushchev accept this kind of settlement?

14. *Air Marshal Miller* said that the UK did not particularly want to see a unified Germany, France was somewhat fearful of it and it was even questionable whether the West German Government desired it. As for Khrushchev, it seemed clear that he would accept reunification of Germany only if it had a Communist Government and he had control of it.

15. *Mr. Robertson* said that with these sort of uncertainties in people's minds it was difficult to see how the NATO Alliance could be kept firm and united in the face of a crisis.

16. *Air Marshal Miller* said that the new US Administration had had a succession of setbacks to its prestige. It was likely that the explanation of the 'tough talk' that was now coming from Washington was that the Administration felt it could not afford to be less than firm any longer.

17. *Mr. Bryce* suggested that our objective should be to try to direct the developing situation in such a way that the withdrawals from positions that must be made eventually by both sides would not be too humiliating for them to accept.

18. Many people in the West would think that the Soviet demands for a peace treaty with East Germany sixteen years after the end of the war was quite reasonable and would not be

willing to support a firm stand on the Oder-Neisse line; indeed, many might feel that in losing the eastern provinces Germany got what it deserved.

19. *Mr. Robertson* said one of the great questions we must face was whether we should or could at some time say this to the Germans.

20. *Mr. Ritchie* said that three of the people who would be involved in US policy-making during any Berlin crisis were the same people who had been through a Berlin crisis before. These were Dean Acheson and Generals Lemnitzer and Taylor. Lemnitzer and Taylor, at least, did not believe during the earlier crisis that an airlift was the right answer, but rather favoured a movement by force up the access highways.

21. *Mr. Robertson* noted that in the crisis of two years ago, both Mr. Merchant and Mr. Murphy in the State Department considered that an airlift would be the wrong answer.

22. *Mr. Ritchie* recalled that in 1959 Dean Acheson had written an article in which he proposed that if access to Berlin were denied our response should be conventional attack in strength but that no nuclear weapons should be used. Acheson had said that the conventional attack would be repulsed and the Allied forces would suffer a beating but that the incident would be worthwhile because it would save the Alliance.¹¹

23. *Mr. Bryce* said that the response of making an honourable attempt to save Berlin would be one possible solution. Canada would have to decide whether we should share in the action.

24. *Mr. Robertson* said that there was a vacuum of substantial discussion on major issues in the NATO Council. Indeed, the great issues were not even discussed elsewhere among the partners.

25. *Air Marshal Miller* said our basic objective should be to maintain the solidarity of the Western Alliance because its break-up was Khrushchev's main goal, though not his only one.

26. *Mr. Robertson* said if our objective was to defeat an effort to break up the Alliance we must consider how this should best be done. Should we continue to anchor the Alliance to a number of basic domestic German political tenets, or should we try to remove the Alliance from association with these extended policy positions? We had had a similar situation with Italy vis-à-vis Trieste and that position had eventually been negotiated, though with difficulty.

27. *Air Marshal Miller* suggested that the Alliance should not dispute these contentious issues in public during the period of the present crisis.

28. *Mr. Robertson* agreed with this position, but pointed out that member countries should also not continue to re-affirm positions that must be modified later if the dangerous situation in Europe was to be resolved. The Prime Minister had put the emphasis on our concern for the future of the Alliance, not on the defence of the outlying positions to which the Alliance was tied. In a war these extended positions would be the first things that would be written off. Was it possible that some of these essentially second-rate positions such as the non-acceptance of the Oder-Neisse Line and our non-recognition of East Germany would be negotiable in exchange for a satisfactory settlement on Berlin?

29. *Air Marshal Miller* said there would be no chance to reach agreement among the Western powers on what should be done with these issues before the time we faced the Berlin crisis. The most important point to keep in mind was that the more uncertain voice we spoke with as we moved towards the crisis, the more serious the crisis was likely to be. For the period of the emergency, we should cover over those problems on which we did not see eye-to-eye. We should have a position of unity that would carry us through the crisis and it should perhaps be affirmed by a Heads of Government meeting.

¹¹ Voir/See Dean Acheson, "Wishing Won't Hold Berlin," *Saturday Evening Post*, March 7, 1961, pp. 32-33, 85-86.

30. *Mr. Plumptre* said that such a position would mean for Canada withdrawal of our dependents from Europe, and the raising of the level of alertness of our forces if the US took these actions. It would also mean leaving until later the problem of finding agreement among the Western Powers on the issues *Mr. Robertson* had raised.

31. *Mr. Bryce* said he thought certain points had emerged during the discussion. First of all, if the Berlin crisis reached the point of fighting, the West should not use nuclear weapons; secondly, if we faced a humiliating situation over Berlin, we should have a limited conventional operation which would probably not be successful but would display our strength of purpose; thirdly, we should be prepared to go along with whatever steps the US felt should be taken to prepare for such conventional action; and fourthly, at some point we would have to accept a number of withdrawals from our present position (e.g., recognition of East Germany) and we should not in the next few months make statements which would make it more difficult for us to accept these withdrawals later on. If there was agreement on these points, the main difficulty was to decide where to draw the line between what we would accept as tolerable without fighting and what we could not accept without making some gesture of military response. Our best course was probably to talk directly and frankly to the US on these matters and at the same time to go along with whatever preparatory action the US considered necessary.

32. *Air Marshal Miller* suggested one of our objectives should be to try to postpone the crisis, particularly by avoiding statements or actions which would force the Soviet hand, and thereby to win time in which a united Western position could be worked out after the German elections in September. We should try to avoid having to formulate a united Western position quickly and under crisis conditions. The most important objective should be to display a united front to the Soviet Union and thereby avoid tempting them to take more drastic actions in the hope of breaking up the Western Alliance.

33. *Mr. Bryce* said we should not discuss in the NATO Council what we would accept as a price for a settlement over Berlin because differences of opinion would be displayed and they would almost certainly leak out. The best way for discussions to be held, it seemed, was for each country of importance in the Alliance to speak frankly to the US.

34. *Mr. Robertson* wondered whether the kind of contingency planning which was going on was very sensible. The UK, for instance, had always refused to approve a final contingency plan which would be used in response to certain stated provocations because they maintained that a plan could not be decided upon until the political circumstances surrounding the issue at the time were known.

35. *Air Marshal Miller* said that conditional contingency planning made sense but over-detailed pre-planning was not really possible because the circumstances at the time could not be known in advance.

36. *Mr. Bryce* said our greatest immediate problem was that at some point we would have to accept being stopped from using force to attain our objectives. Should we not try to settle at least in some rough way what point this would be? The only alternative to preparation of this kind was to try to devise some kind of package deal we could put up to the Russians in negotiations.

37. *Mr. Robertson* noted that all the Western notes admitted the possibility of negotiations. The question was how a package could be developed in time which could be presented in those negotiations.

38. *Air Marshal Miller* said that each Western country might have in mind a package which would be acceptable to it but it might be impossible in the time we had to formulate an agreed package. We probably must rely on the solidarity of the Alliance up to the point of actual

fighting, which might enable us to impress the adversary sufficiently to convince him not to act in such a way that we would have to make a strong military response.

39. *Mr. Barton* asked whether, if we agreed to go along with whatever preparatory measures the US thought were necessary, Canada had the resources and plans to follow through with such action as the removal of dependents from Europe.

40. *Air Marshal Miller* said that if such action had to be taken in a non-crisis period, the plans could be developed fairly easily. In a crisis it would be much more difficult and such a movement then might in any case be dangerous to the political atmosphere.

41. *Mr. Plumptre* suggested that we could indicate our intention to take the same action the US was taking, but we might actually take the action later and more slowly.

42. *Mr. Barton* said that this approach would not satisfy the demands that would be made of the Government in Canada.

43. *Mr. Robertson and Mr. Bryce* suggested that a paper should be prepared immediately for Cabinet on the considerations which had been brought out in the discussion.

44. *Mr. Plumptre* said that such a paper could take one of two forms. It could recommend what should be done to meet the immediate problem, (for instance, undertaking discussions with the US), and perhaps evaluate some of the long term policy questions which might be taken up later; alternatively, it might recommend we take a firm united stand with our NATO partners but that we should ask the US for assurance that they would not be too inflexible in dealing with the modification of extended policy positions later on.

45. *Mr. Bryce* thought that our support for the US proposal should not be made conditional. We should be able to talk frankly to them but it was essential that we not take any position that would lessen our influence in Washington throughout the difficult period ahead.

46. *Air Marshal Miller* said that the united position of the Alliance was for the purpose of facing the Berlin crisis. During this crisis we should agree with our partners to take a position either of no negotiations or limited negotiations on Berlin only. We should not attempt now to work out any new approach to the difficult issues such as reunification and the frontiers because it would not be possible to get an agreed new approach in the time available.

47. *Mr. Bryce* thought that Khrushchev did not believe that the West would be willing to go as far as nuclear war over the Berlin issue and it seemed clear that further reiteration that we might do so would not convince him. Among the preparatory actions which might help convince him of our firmness of purpose might be the movement of dependents and possibly spending money on such other unpleasant and costly programmes as the building of shelters.

48. *Air Marshal Miller* considered that actions taken in the European theatre would be more likely to impress the Russians. There might also be some advantage in having a Western Heads of Government Meeting in the fall.

49. *Mr. Bryce* thought that a Head of Government Meeting might be somewhat dangerous even after the German elections because it might result in indications of disagreement or else in an unconvincing re-affirmation of previous positions. One action that might be useful would be for the Minister of National Defence or the Secretary of State for External Affairs to make trips to Washington, London or Paris and to refuse to divulge what the purpose of these trips was.

50. *It was agreed* that External Affairs would prepare a memorandum for Cabinet reflecting some of the above points, with a view to having Cabinet discussions on it at the beginning of next week.

D.B. DEWAR
Secretary

242.

DEA/50030-V-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], July 22, 1961

BERLIN – UNITED STATES PREPAREDNESS MEASURES

The purpose of this memorandum is to summarize the information conveyed to you by Mr. Merchant during your meeting with him on Saturday, July 22, on the problem of Berlin and proposed United States preparedness measures.

2. Mr. Merchant began by explaining that the United States Secretary of State, Mr. Rusk, wanted him to deliver personally to you the main lines of United States thinking and, in particular, the points which would be made by the United States Permanent Representative in the NATO Council on Monday, July 24. He indicated that his message from Mr. Rusk and Mr. Finletter's statement to the NATO Council on Monday would provide a preview of the main elements which will be contained in President Kennedy's address to the nation on Tuesday, July 25¹² and which, in turn, will be followed by a special request to Congress on Wednesday, July 26.¹³ He thought it was likely, however, that President Kennedy's public statement would deal with these measures on more general terms and would not include some of the details which were being given to Canada and other NATO members.

3. The following is a summary of the main points made in Mr. Merchant's presentation:

(1) The present Berlin situation must be viewed against the wider background of a hardening Soviet attitude on Laos, disarmament and nuclear tests. Despite all the best United States efforts to meet the Soviet Union halfway, the latter for its own purposes appears to have decided to adopt an increasingly rigid position.

(2) While it is difficult to be certain about Soviet intentions, they appear to have decided that the balance of power is shifting to their advantage and that they should exploit the exposed Western position in Berlin to put the West "on the run." Their objectives appear to be:

- (i) to consolidate the Communist position in Europe;
- (ii) to achieve an early and significant weakening of the Western position in Berlin;
- (iii) to demonstrate Western impotence;
- (iv) to weaken and, if possible, divide NATO.

(3) The United States believes that action must be taken on a broad front to convince the Soviet Union and world opinion of the united purpose and determination of the peoples and governments of the Alliance.

(4) The United States considers that in view of the increasing gravity of the world situation, it is necessary and sensible for the members of the Alliance to consider measures to improve their own defences and to discuss together all possible means of protecting our mutual position without war.

¹² Voir/See "Radio and Television Report to the American People on the Berlin Crisis," *Public Papers of the Presidents: John F. Kennedy, 1961* (Washington: United States Government Printing Office, 1962), document 302.

¹³ Voir/See *Congressional Record: Proceedings and Debates of the 87th Congress*, First Session, vol. 107, Part 10, pp. 13460-13463, 13468, 13504-13508.

(5) The measures which the United States has in mind in the present situation include:

- (i) development of an agreed Western strategy;
- (ii) a significant build-up of Western military strength;
- (iii) possible counter-measures to be applied as a means of protecting the Western position in Berlin. These would include economic counter-measures relating to East Germany and possibly to the Soviet Union as well;
- (iv) development of concerted Western diplomatic positions;
- (v) efforts to marshal maximum world opinion.

(6) For its part, the United States Administration intends to ask Congress for an extra appropriation of \$3.2 billion which would be in addition to the \$6 billion increase already requested by President Kennedy over and above President Eisenhower's defence budget. Among other things this increase would enable the United States to:

- (i) have the capability to move to Europe six additional divisions by the end of this year if such should prove to be necessary;
- (ii) increase and improve its supply of tactical and transport aircraft;
- (iii) increase to 50 per cent (from approximately 25 per cent) the number of SAC bomber aircraft on ground alert.

(7) The United States believes that if the West is to convince the Russians of the credibility of its position and its willingness to accept risks, it would not be sufficient for the United States to act alone in this respect. The other members of NATO should be prepared to make comparable increases in their defensive strength.

(8) The United States is also considering substantial increases in the field of civil defence.

(9) The Alliance must also be agreed on contingency planning measures for Berlin and arrangements will have to be explored to obtain precise commitments from governments in this regard.

(10) All these measures must not however prejudice existing Western plans and programmes in other parts of the world (although not specific in this regard, Mr. Rusk's message appeared to be referring to aid programmes.)

(11) While bolstering up its defences, the West must, at the same time, leave no stone unturned in attempting to arrive through negotiations at an acceptable accommodation with the USSR on Berlin and other outstanding East-West issues. Although not specific in this regard, Mr. Rusk's message referred to:

- (i) East-West discussions through diplomatic channels;
- (ii) a possible Four-Power Foreign Ministers' meeting.

(12) In considering all those possibilities, the United States intends to lay the greatest stress on full consultation with its NATO allies. (In the course of his remarks later, Mr. Merchant indicated that the possibility of having a NATO Heads of Government meeting at some stage could not be excluded.)

Other points which emerged in the course of the conversation were:

(a) The United States regards its commitments in respect of Berlin to be absolutely vital and believes that any failure to discharge its responsibilities fully in this regard would be disastrous and would undermine completely the confidence of all its allies around the world.

(b) The Administration has not come to any decision on the question of evacuating dependents of United States military personnel from Europe. Mr. Merchant indicated that consideration had been given about two years ago to the possibility of evacuating the some 10,000 dependents of United States military personnel stationed in West Berlin. It was decided

not to do so mainly because of the demoralizing effect such a move would likely have on the population of West Berlin.

(c) The Mayor of West Berlin, Mr. Brandt, will be given an outline of the same points which will be submitted to the NATO Council by the United States Permanent Representative on Monday, July 24.

N.A. R[OBERTSON]

243.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], July 24, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence and Acting Minister of Agriculture (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton), (for morning meeting only)
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Forestry (Mr. Flemming),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Mr. Labarge).

BERLIN SITUATION; NUCLEAR WEAPONS POLICY
 (Previous reference July 24)

45. *The Prime Minister* said that he would commence the exposition of this important problem and would hope that the Secretary of State for External Affairs and the Minister of National Defence would follow with their analyses and views of the situation.

After a few remarks about the origins of the Berlin situation at the end of the war, he recalled that when he had talked to Adenauer in 1958 the latter thought that a crisis was looming, and possibly war. Now it appeared there really was going to be a crisis this year. Judging from the conversations in May, the Prime Minister was convinced that President Kennedy would take a definite stand and not deviate. Mr. Khrushchev has taken him to be either weak or provocative. The position of the whole West would be endangered should the United States give way. Therefore, Berlin must be maintained and the United States had to be supported in this effort.

46. *Mr. Diefenbaker* spoke of some of the things that Mr. Khrushchev had been saying recently and mentioned that he had heard the latter was now starting to drink again and speak more freely. Khrushchev now seemed to think he had superiority over the United States in missiles and nuclear weapons. Even U.S. Generals thought two or three years ago that their

superiority might end with 1961. NATO had not mobilized the forces that were decided upon at Lisbon, and was no match for Russia and Eastern Europe on the ground. Consequently, the question arose of what could now be done.

The U.S. would not back up. Eisenhower had told Mr. Diefenbaker that he had been held back in the past by the views of his Allies. Kennedy was unlikely to be restrained to the same degree. He was going to outline on Tuesday night some of the steps that he will propose to Congress or take under his own powers.¹⁴ These will include an increase in the call-up, a strengthening of the Navy as well as the Army, preparations to send six further divisions to Europe if necessary, and other measures. On the other hand, he was not going to repatriate the dependants of servicemen because of the effects on the Europeans.

The question arose as to what plans should be made for action when Russia turned over the administration of the access roads to Berlin to East Germany. Will East Germany prevent their use? If so, should the West push through on the ground, and what forces should it use for the purpose? If a conflict arose out of it, could it be limited by a refusal to use nuclear weapons? If they were not used, the Western Powers might quickly be pushed into the sea. If they did use nuclear weapons, there was apt to be a nuclear war because it was difficult to imagine the use of nuclear weapons being confined to the battlefield.

The government here must now consider its own stand on Berlin. He had spent some hours the previous day studying the analyses of the situation by officials and various suggestions for the attitude that should be taken. With some of these he did not agree. The Secretary of State for External Affairs would deal with these suggestions.

The government would also have to decide what policy should be taken under present circumstances with regard to nuclear weapons in Canada, in particular for the storage of nuclear weapons at Goose Bay and Harmon Field. Negotiations on agreements on nuclear weapons were likely to take about two months and it would probably be wise to go ahead with them now. Canada should not act provocatively but the danger could not be postponed.

47. *Mr. Diefenbaker* went on to say that the Prime Ministers and Presidents concerned in the NATO countries did not believe that Khrushchev was bluffing. He was being challenged at home and by China and must show progress in regard to Berlin and the German situation. He had left himself almost no escape hatches and had pointed out with definiteness what he intended to do in turning over control to East Germany. Ulbricht, for his part, said that East Germany intended to take over West Berlin. They are seriously disturbed over the flow of refugees and had become more defiant than they were before. The matter was now one causing deep concern. The alternative solutions had been tried on Khrushchev before but none of them had worked.

(At this point the meeting was adjourned and the Prime Minister suggested that when it was resumed Mr. Green might outline his views of the situation.)

48. *The Secretary of State for External Affairs* said that the present situation was precipitated by Khrushchev's statement that he was going to recognize East Germany and sign a peace treaty with it, together with indications that, if the West were to interfere, he would counter their moves. Should access to West Berlin be resisted by force, the West would not have enough strength in Europe on the ground to force its way through. Canada was involved as a member of NATO.

¹⁴ Voir/See "Radio and Television Report to the American People on the Berlin Crisis," *Public Papers of the Presidents: John F. Kennedy, 1961* (Washington: United States Government Printing Office, 1962), document 302.

He felt Khrushchev's present tough attitude arose because he was now convinced of Russian superiority. He felt that Kennedy was immature and insecure. He feared that he himself would be under pressure and criticism in the Praesidium and must show the Chinese that he was tougher than they think. The Russians can be stupid as others can and their present course was not a wise one. President Kennedy was reacting strongly. The situation was like that of two locomotives headed toward each other on a single track.

The British were very worried because of their highly vulnerable position in a nuclear war. The Allies could not make any definite plans or proposals until after the German election. Khrushchev had not set specific deadlines for specific action but had said that, by the end of the year, he would sign a peace treaty with East Germany.

49. *Mr. Green* said that the U.S. Ambassador had called on him on Saturday and outlined American views on the situation and plans for dealing with it. They were to be taken up on Monday at NATO. Mr. Kennedy would be announcing the U.S. position on Tuesday evening.

He will propose that the Western Allies should have an agreed strategy on counter measures, including economic sanctions, diplomatic action and the martialling of public opinion, as well as on military measures to be taken in the event of trouble. They would hope that their Allies will be taking action parallel to their own, and Canada, for example, might be expected to send another brigade or even a division to Europe. Mr. Kennedy believed that a Four-Power Foreign Ministers meeting might be necessary, and East-West discussions through diplomatic channels. On the other hand, he was of the firm opinion that if the West gave in on the Berlin issue, it would lose its position in world affairs.

For itself, the United States, as President Kennedy would indicate, intended to ask Congress for a supplementary defence budget of some \$3¼ billion, for an increased call-up of men, not only for the Army but also additional manpower for the Navy and Air Force. He would also ask to increase the supply of tactical and transport aircraft and the number of SAC bomber aircraft on ground alert. They were also proposing to make substantial increases in the civil defence programme. All this might well mean an increase in taxes. There would, however, be no declaration of a national emergency.

50. *Mr. Green* went on to say that the chief problem was what steps were to be taken if access to Berlin was cut off. There probably would be a withholding of decisions until after the election in Germany.

In the course of his remarks on these matters, he mentioned that a story was going about that Herr Strauss, the German Defence Minister, had said that Germany would defend Berlin to the last American and this was causing some apprehension. He also reported that Mr. Merchant had said that the United States had not the slightest intention of giving nuclear weapons to Germany.

51. *Mr. Green* felt there was scope for negotiations on the Berlin problem; for instance the settling of the eastern borders of Germany offered some opportunity for bargaining. The reunification of Germany remained an objective but no one believed it could be accomplished in the near future.

The United Nations would meet in about six weeks and there was bound to be a great upsurge of feeling among the uncommitted countries over this Berlin issue. Even Russia was influenced by the world opinion that was focused by the United Nations. On the other hand, Russia would be assisted by the drastic action taken by France over Bizerte and this was most regrettable because Tunisia was one of the best nations of Africa. Indeed, in the long run, this Tunisian situation might prove to be more serious than that in Berlin. On the whole, he thought there might be some softening of war talk once the United Nations met and the Americans and Russians were carrying on some negotiations.

In regard to nuclear weapons which the Prime Minister had mentioned, he thought it significant that the new U.S. plan for disarmament included the provision that there should be no further spread of nuclear weapons. He hoped that Cabinet would not rush in to approve Canada becoming a nuclear power. One must recognize how high the stakes were in nuclear war. It was an issue that might determine whether or not Montreal, Toronto, Hamilton, Ottawa, Vancouver and other Canadian cities might be blotted off the map. It was not just a question of losing some troops but rather one of the future of Canada and of civilization. If the present situation gave rise to a nuclear war, the United Kingdom might be blotted out entirely and most of Canada as well.

52. *Discussion at this point* arose over what was to be done if Russia and East Germany carried out the action they threatened. It was noted that the United States had a terrifying number of nuclear weapons and did not appear to need help from anyone else in nuclear deterrents. Some thought it would be tragic and serve no useful purpose if Canada was the first to break the line on the spread of nuclear weapons. Others, on the contrary, felt that the making of plans to acquire defensive weapons for defence purposes did not mean that Canada was becoming a nuclear power.

53. *During the course of this discussion* Mr. Green indicated that he did not have as much objection to the storage of nuclear weapons on leased bases as he did to the acquisition of weapons for the Canadian forces. He felt it was possible to defend permitting the United States to have such weapons on leased bases, as not implying that Canada was becoming a nuclear power. It was also noted that the storage of weapons at Argentinia could be further justified as being under a joint NATO control through SACLANT, although there were certain technical problems to be solved.

54. *The Minister of National Defence* then gave an appraisal of the situation. The extreme belligerency of Khrushchev at present suggested that he was after bigger stakes than simply Berlin. His main objective must be the breaking up of NATO. Berlin was the weakest point in the NATO Alliance. Very few members of NATO really wanted reunification of Germany, even though this was one of the nominal objectives of the Western nations, including Canada. If West Berlin came under the control of East Germany and the Communists, and if the other NATO countries did not assist in the reunification, Germany might then drop out of NATO and the Alliance might really disappear as a consequence.

He felt Western solidarity must be maintained on this issue and at some point there must be a meeting of the NATO Heads of Government to determine the course to be followed. From the point of view of world opinion, the West must appear ready to negotiate at any time and there might be some questions, for example the Oder-Neisse line, on which negotiations could take place and could take up a good deal of time. On the other hand, the field of real negotiation was very narrow and there was not much on which the West could make concessions. The essence of the Western position was to maintain the status quo in Berlin, to stand firm. He felt the United Nations could not have much effect; it had no relationship to reality.

55. *Mr. Harkness* went on, at the Prime Minister's suggestion, to speak about nuclear weapons for the Canadian forces and said that he felt there was all the difference in the world between the defensive weapons desired for the Canadian forces and hydrogen bombs which everyone had in mind in thinking of nuclear weapons. BOMARCS could not start a war – they had a range of only 400 or 500 miles and were purely defensive weapons. Already, European countries in NATO had nuclear weapons. The government should lose no time in starting negotiations for an agreement on nuclear weapons for the Canadian forces. The agreements should be completed first and then the government could decide later if and when they would

actually have the weapons made available in Canada for the forces in accordance with the agreements.

56. *The Prime Minister* at this point mentioned that he felt it would not constitute any spread of the nuclear powers to have the weapons held in joint control of the United States and its Allies, including Canada.

57. *Mr. Green*, however, felt that in Europe this joint control amounted substantially to U.S. control.

58. *The Prime Minister* went on to say that he had asked around Christmas time that the agreement on storage of weapons at Goose Bay and Harmon Field be held up as a trading point but he indicated that this no longer needed to be done.

He had come away from the North with the impression that from time to time there were periods of a few days at times that could be predicted, that they did not know up there what was going on, as they were without communications. He thought the next such period of silence was apt to take place in October. This tended to make Canada's defences much more vulnerable.

(It was pointed out, however, that the Mid-Canada line could detect aircraft penetrating the Dew Line even though the latter was temporarily blanked out for the reasons mentioned.)

59. *During the discussion which then ensued*, the suggestion was made that there should be a meeting of the Canada-U.S. Ministerial Committee on Defence to deal with some of these questions relating to nuclear weapons and other matters of joint concern, but the Prime Minister reported that the U.S. President was not very anxious to have this Committee meet now. He prefers that conversations on defence be carried on a more limited basis and through other channels.

Other Ministers expressed their views and most were to the effect that the West should not retreat, or give any appearance of weakening, on the Berlin issue as it would undermine the whole Alliance and there was nothing in substance that could be given up in Berlin. There was some discussion as to whether this should be carried so far as to imply a willingness to accept nuclear war as well as limited action on the ground, but no conclusive opinions were expressed on this point.

There was also discussion as to the nature of a probe of the East German resistance to access on the ground that might be useful and the Minister of National Defence reported that the United States felt that nothing less than an armoured division would make a worthwhile test of the will to resist and it was a military absurdity to endeavour to hold open a corridor of 130 miles in length.

60. *The Prime Minister* noted that the U.S. authorities said that there was no way the West could defend itself on the ground in Europe without nuclear weapons.

61. *One Minister* expressed the view that it was vital to indicate a willingness to use nuclear weapons if necessary and to show no signs of weakening and, if that were done, the nuclear weapons would not in fact be used because the Russians would not run the risk of bringing about their use.

62. *The Secretary of State for External Affairs* at this point reported that he felt the United States was going farther than had been believed. He felt they were all prepared for a war now and were expecting it. Indeed Mr. Merchant had left him with the distinct impression that they were now set for a nuclear war.

63. *Other Ministers* said that in this case Canada must look seriously at the position it would be in should a nuclear war occur. Some felt Canada had no effective air defence and it would be necessary to give thought to shelters from fall-out at least.

64. *The Minister of National Defence* noted, however, that, while no air defence could be perfect, if there was none it simply invited attack on vital targets as well as others. The prime purpose of the air defence was to defend the SAC forces of retaliation and the second purpose was to defend the industrial cities. He did, however, express the view that the West must stand firm and show that it was ready for war, in order to avoid war.

65. *There was brief discussion* as to whether experience in the last war in respect of germs and gas was a guide as to whether nuclear weapons would not be used in this war.

66. *The Prime Minister* then brought the discussion to a close, saying that the government was now beginning to see what a serious problem it was up against. One could not negotiate successfully unless one was willing to give up something and on Berlin there was nothing that the West could give up. If the Western nations broke their pledges to West Berlin, it would disrupt the relations with all other Allies. Khrushchev now thought the United States was bluffing and had talked of Kennedy as a mere boy.

67. *The Cabinet* took note of the statements made by the Prime Minister, the Secretary of State for External Affairs and the Minister of National Defence on the Berlin situation and its implications for NATO and for Canada, and the discussion that took place thereon.

R.B. BRYCE
Secretary to the Cabinet

244.

DEA/50341-40

Note pour le premier ministre
Memorandum to Prime Minister

SECRET

[Ottawa], July 28, 1961

NATO DISCUSSION ON GERMANY AND BERLIN

The attached telegram from our Ambassador to NATO in Paris reports discussions held by the Council on July 26. He describes this meeting as the very tentative first step toward real consultation by the Alliance on the problem of Germany and Berlin.

The Ambassador is convinced that if we wish to influence the Three Powers experts meetings and the Ministerial meetings to follow, we must submit views of substance in Washington and London within the next two weeks.

Representatives of the smaller powers carried most of the discussions. Emphasis was placed on the importance which the Governments of these powers attach to the development of positive proposals on the part of the Western team to be put to the Russians. Most speakers praised President Kennedy's address of July 25¹⁵ for its admirable balance between military measures and the willingness to embark upon any reasonable negotiations.

O.W. D[IER]

¹⁵ Voir/See "Radio and Television Report to the American People on the Berlin Crisis," *Public Papers of the Presidents: John F. Kennedy, 1961* (Washington: United States Government Printing Office, 1962), document 302.

[PIÈCE JOINTE/ENCLOSURE]

*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 1948

Paris, July 27, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel S-316 Jul 25.†

Repeat for Information: London, Washington, Permisis New York, Paris, Bonn, Brussels, Hague (Priority).

By Bag Moscow, Prague, Warsaw, Berlin, Cairo, Delhi, Belgrade, Oslo, Stockholm, Berne, Helsinki, Copenhagen, Vienna, Athens, Ankara from London.

GERMANY AND BERLIN

Council met on July 26 in very restricted session in Secretary-General's office in a first real attempt to come to grips with current Berlin problem. Perhaps before giving an account of the views expressed it might be useful to let you have my impressions of the meeting. It was a very tentative first step towards real consultation on this problem of central importance to the Alliance. The meeting brought to mind the first few sessions last fall on long-term planning. On the whole I believe it was a good meeting in that a number of questions of substance were posed. I assume that the Three (and Four) Power Working Group will be seized with these questions and any others which may develop out of these consultations. However I am convinced that for the short term if we wish to influence the Three Power experts meetings and the Ministerial meetings to follow we must submit views of substance as soon as possible. By short term I mean the next ten days to two weeks. There is not repeat not much time or likelihood that before the Four Foreign Ministers meet in Paris in first week of August, a further Council meeting will be held. In the circumstances such views of substance as we wish to submit would probably have the greatest effect if made directly in Washington and London. Following a conversation with Finletter I believe that State Department is receptive to our views.

2. Yesterday's meeting featured questions by smaller powers and almost complete silence from representatives of four most interested powers. The Germans said nothing; the French and British little more. Finletter (USA), perhaps constrained by the silence of his most interested partners, confined himself to questions on questions which were posed by other members. His purpose as he told me afterwards was to give greater precision to the points made so that these points would have their maximum effect in the Three and Four-Power gatherings. Finletter at least was interested in points of view represented by the questions asked while the other three were not repeat not particularly anxious to participate at all.

3. The Norwegian representative led off the discussion defining what, in his government's view, constituted the "vital interests" of the West in the Berlin problem. For his government these vital interests were simple and straightforward. They were the freedom of West Berlin and its people, freedom of access to the city, and continuance of an Allied military presence in the city. He characterized (as did most other speakers) President Kennedy's address to the nation on July 25 as "admirable" in the balance which it established between military measures and the willingness to embark upon any reasonable negotiations. He then made use of the questioning technique which was to be followed by most members of Council who spoke. Did we envisage any basis for negotiating with the Russians? It was hardly conceivable that

Western powers could negotiate from the position that present arrangements were perfect. Was it conceivable that we might seek by negotiations to give additional guarantees to Berlin? His government hoped that some such possibility would be looked at most carefully by Four Powers most concerned in their forthcoming Ministerial meetings. Wasn't timing of negotiations a tactical problem of the first order? Should we wait for Khrushchev to start a course of events with signature of a peace treaty or should we take an initiative before he begins that process? He hoped again that Four Foreign Ministers would consider this problem.

4. The Belgian representative said that he was heartened by Kennedy's speech in that it placed question of Berlin in "proper perspective" indicating that the views he was to express had been discussed with Spaak just last night. He made three points concerning the military measures forecast in Kennedy's report to nation: (a) in his government's view an error had been committed in taking and publicizing military measures in USA without prior discussions in Council of the fundamental political points involved in Berlin problem; (b) the announcement of military measures put very severe limits on possibility of diplomatic and economic measures which might serve to ease the problem; (c) while his government appreciated that USA decisions had a high psychological content, USA government should know that Belgian opinion was simply not repeat not prepared to contemplate military measures until it had been convinced that all conceivable political measures had been exhausted. He went further to give his personal opinion that European public opinion in general was not repeat not sufficiently prepared for need for military measures. In summary he believed that a full and frank discussion of political, economic and military aspects of the Berlin problem was required if we are to proceed as allies. If we did not repeat not proceed together the effect of the unilateral American actions would be much diminished. Psychological preparation might be needed in USA. Certainly it was needed in Europe.

5. Turning then to the more purely political elements of problem, the Belgian representative used technique of questions to suggest his government's point of view. Why had Khrushchev precipitated a Berlin crisis at this time? Surely this was a fundamental question to be answered if we were to choose the right counter action. If Khrushchev did what he said he was going to do, i.e. sign a separate peace treaty with East Germany, what were we planning to do about it? What were existing arrangements for access to Berlin and would they be changed substantially if a separate peace treaty were signed by the Russians? Was there any possibility of forestalling the implementation of Khrushchev's declared intention? What did it mean to say that the West intended to be "firm" on Berlin? Did it mean that this firmness applied to Berlin alone or was it a firmness rooted in the intention to accept only a reunified Germany? Was there no repeat no initiative we could take at the present time? Even the President had spoken mainly of proposals which "they" might make; was it not repeat not possible, however, for "us" to make proposals? Finally, de Staerke noted his complete agreement with the Norwegian definition of the vital interests of the West, i.e., liberty of access, continued allied military presence, and the freedom of Berliners. He ended his intervention with a brief reference to the procedural problem of establishing some relationship between the Four-Power working group whether at expert or ministerial level and the Council. Some "organic liaison" was indispensable and perhaps could best be established through the Secretary-General.

6. The Danish representative echoed much that had been said by the two previous speakers emphasizing the importance which his government attached to development of positive proposals on the part of the Western team to be put to the Russians. He too spoke well of the balance in Kennedy's address to the nation. The Greek representative concentrated on the desirability of exploring a role for the UN in the Berlin problem. One of the basic foundations of the Western case surely was the liberty of individuals. We publicly proclaimed ourselves to be artisans of the UN. Why then had we not repeat not brought the Berlin problem to the UN. Surely the right of individuals was an extremely valuable platform on which to stand in the

UN. The majority of the members of the UN usually could be brought to understand a problem when posed in these terms. While somewhat dated, the Wilsonian principles of 1919 still commanded a degree of respect around the world. The Netherlands representative did not repeat not entirely agree with de Staerke that an error had been made in emphasizing military reinforcements first. Western firmness had to be given substance and this could best be achieved by the proposed military measures. The Soviet Union must be given no repeat no grounds for miscalculation as to the firmness of Western intentions. Nor was he fully convinced that new Western initiatives had to be taken at this stage. Certainly there should be no repeat no concessions of a substantial character. A crisis had been created by the Soviet Union and it was the Russians who should be forced to indicate how they proposed to reduce tension.

7. I said that I thought my authorities would welcome the balance of flexibility and firmness which had characterized President Kennedy's statement. Firmness on vital issues was required and it would therefore seem to be a good idea if we could agree on exactly what these vital issues were. I thought we could agree with the point made in Finletter's statement to the Council on July 24 that the Western response to Soviet action with respect to Germany and Berlin must not repeat not be allowed to affect negatively other constructive efforts around the world, particularly in the aid field. In this respect we had to bear in mind that Council discussions must continue to give priority to those problems where NATO had a direct responsibility. We would also agree, I thought, that it was essential to create a strong NATO military posture but it would be dangerous if the methods chosen to demonstrate NATO and USA military strength were to exacerbate rather than ease the present difficult situation. It would be dangerous, likewise, if undue haste to demonstrate this strength would reduce the possibility of satisfactory negotiations. Suggestions had been made both in the President's statement to the nation and in Finletter's statement to the Council that USA efforts would involve comparable efforts on the part of other NATO partners. The Canadian attitude on this point would become evident only after the examination of the Berlin problem which the Cabinet was currently embarked upon had been completed. This examination would be facilitated by further expressions of views from our NATO partners and from the NATO military authorities.

8. I added that the questions posed by de Staerke were important. A few more occurred to me. The Soviet timetable was of some importance and was known to us in general terms. Khrushchev was committed to negotiate with the West or to conclude a peace treaty with East Germany. Would the West be better off to negotiate before a peace treaty had been concluded – possibly in order to prevent its signature – or would it be better to wait until the peace treaty had been signed. It was my personal view that it would seem to be in the Western interest that negotiations with the Soviet Union should start before a peace treaty had actually been signed. This did not repeat not mean that the military build-up already taking place should be stopped. The question involved in this build-up was whether or not repeat not it would guarantee the maintenance of freedom of West Berliners. The USA government had evidently decided in the affirmative. I assumed that it was the USA view that this military build-up would enable us to negotiate from a position of greater the strength the more direct the willingness to negotiate should be. A second general question was whether it was possible to restrict an eventual negotiation with the Soviet Union to the question of Berlin or whether, as has been the case in the past, Berlin should be considered in the wider context of East-West relations. A discussion on this point appeared to me to be important. Military measures taken by USA could not repeat not be expected to ease relations between East and West. All issues under consideration were likely to become more difficult. We could not repeat not rule out the possibility that in this new atmosphere discussions of a general nature on East-West issues would become more difficult and that we might be limiting ourselves to restrict discussion to Berlin. After the

meeting the German representative took me aside to repeat once more the line that the questions of Berlin and Germany were inseparable.

9. A third major question concerned the position to be adopted by the West about the role, if any, of the UN in this affair. The General Assembly would be meeting at the very moment when the Berlin issue was likely to be at the boiling point. Mr. Rusk had already suggested that in certain circumstances the USA might consider referring the problem to the UN. It seemed to me that any position taken at the UN would have to be based on a Western willingness to negotiate. We could not repeat not go to UN without being clear on this point. Reference of the issue to UN was not repeat not, of course, without hazards since a great number of members would be unfamiliar with the problem in its detail. If such reference to UN was to be avoided, would it not repeat not be essential that parties directly concerned indicate a positive desire to negotiate. I made brief reference to the point which the Norwegian representative had made concerning the possibility that some additional guarantees for Berlin might be a possible negotiating base.

10. I ended my intervention with some reference to the problem of future procedure and the relationship between the Working Group and Council. I wondered whether a representative of Secretary-General could attend the Working Group meetings and whether by this method a channel could be established between the Council and the Working Group. Perhaps, Secretary-General himself might attend some of the ministerial sessions. It was extremely important to ensure that the ministerial discussions should not repeat not lead to joint communiqués of substance which had not repeat not been cleared with Council. If it was the intention of ministers to issue a communiqué, should not repeat not the text be submitted to Council early enough to get governments' views on it; another satisfactory course would be for the communiqué to be delayed until after the visit of Mr. Rusk to Council. Even in this latter instance any statement of substance to be issued following his visit would have to be cleared by governments. If the foreign ministers were to decide to appoint a permanent working group, consideration should be given again to attaching a representative of Secretary-General to that group.

11. If these comments on procedures (paragraph 10) seem reasonable to you, you might wish to consider having me put them more formally to Council or conversely you might wish to have them taken up in bilateral discussions in Washington, London, Paris and Bonn. I think we should attach considerable importance to the matter of the inevitable communiqué which will develop out of the Four-Power ministerial discussions. It seems essential that every effort be made to ensure that it does not repeat not put individual governments in an awkward position.

12. The remainder of the meeting was taken up primarily with two points. The first was Finletter's apparent attempt by questions to get further elaboration particularly of de Staerke's views as represented by his questions. It was in the course of this dialogue that Finletter dropped the hint that questions of a general nature passed on to the Working Group were bound to be less effective than direct statements of government views. It was interesting that at this point the French and UK representatives intervened briefly with statements which tended, in opposition to Finletter's approach, to support the production of general questions for the Working Group's consideration. The second general point around which further discussion developed was that of the liaison to be established between Council and the Working Group. There was general support around the table that some such liaison should be established and Secretary-General took it upon himself to explore just how this could be done.

13. To make our report complete, I should add that the Norwegian representative once again asked that a purely factual description of how matters now stood with respect to access to Berlin be provided to the Council as quickly as possible. He told me privately that from 80 to 90 percent of all traffic, civilian and military, is already "seen" if not repeat not "controlled"

by East Germans. The Belgian representative in somewhat frustrated annoyance asked whether the four most interested powers whose “dossiers must be bulging with papers” were going to speak. Their silence made it clear that they were not repeat not, at least at this stage, ready to reveal the contents of their brief cases.¹⁶ While no repeat no date was set for a further restricted meeting, Secretary-General made the assumption that there would be further such meetings.

[J.] LÉGER

245.

DEA/50341-40

*Note du secrétaire du Cabinet
pour le premier ministre*
*Memorandum from Secretary to Cabinet
to Prime Minister*

SECRET

[Ottawa], August 12, 1961

RE: FURTHER THOUGHTS ON BERLIN

1. The recent speeches and events give more hope for success of negotiations but the danger in the situation remains grave unless both sides speak and act with care.

2. The NATO discussions have indicated an encouraging degree of unity and seriousness but have not endeavoured to reach the heart of the matter on negotiations or on contingency measures and when they would be used. I think it is best to avoid these in NATO. We must assume that the Russians intercept the reports of some of our NATO allies. I think Rusk's reports were intended to reach the Russians in this way.

3. The purposes of the defence build-up are not to win a conventional war around Berlin or to scare the Russians. The latter must know they can wipe the floor with the NATO forces in Europe unless large nuclear weapons are used. Rather the purposes are:

- (a) to show we are serious and united;
- (b) to suggest that if Khrushchev behaves badly there will be a continuing and general build-up in defence efforts and costs even if there is not a war over Berlin;
- (c) to strengthen the Western bargaining position by (a) and (b); and
- (d) to make clear to the Germans and other allies that we are willing to pay costs and take risks to meet our pledges, even if in the end we make a compromise settlement.

4. I still believe the Russians believe we will not fight a nuclear war over Berlin. That is what makes the situation dangerous. Merely “standing firm” cannot assure peace.

5. The United States are unlikely to show their hand on matters of substance concerning negotiations before the German elections in mid-September. They will probably want to have Kennedy-Adenauer talks very soon thereafter. We should not press them to inform us or others of their real intentions.

6. I believe there is room for an acceptable negotiated settlement, which would be consistent with our pledges to the people of Berlin, though it would disappoint some elements in Germany. I think Escott Reid's proposal is as good as any I have seen,¹⁷ and would be tolerable to Germany. It would probably be necessary to make some concession in it in regard to East Berlin. Such a settlement would open the way to eventual recognition of East Germany,

¹⁶ Note marginale :/Marginal note:
Silence. [J.G. Diefenbaker]

¹⁷ Voir/See document 249.

which I think is acceptable to us, and probably desirable. It would involve some risks but so does the present situation.

7. It may be necessary and even desirable to add to Reid's proposal, in the negotiations, a limitation on the stationing of nuclear weapons in both East and West Germany (and some parts of Poland and Czechoslovakia) in order to meet the (legitimate) Russian worries over Germany having nuclear weapons. The United States would oppose this for military reasons but I think it would have real virtues for us, in helping to assure stability and less likelihood of war in the future.

8. I think Canada should join in some defence build-up along with the other members of NATO. This should include negotiation of the terms for acquiring nuclear weapons, which should be publicly announced, and the stationing of nuclear weapons for U.S. defence forces on leased bases in Canada. Some other measures of our own, costing money, should be included. These would be for the purposes noted in paragraph 3 above, and also, and most importantly in our case, to show Washington we are serious in order that they will give proper consideration to our views as to what should be done.

9. I think we should aim at strengthening the U.S. intention to negotiate seriously and contribute what we can in suggestions of substance. I think we should do this through Heeney in Washington, as Merchant here has such strong views of his own that it is better not to transmit our ideas through him. I think there might be value in having Escott Reid go to Washington to be with Heeney to see some of the Americans, if the Government decides to have some suggestions put forward.

R.B. B[RYCE]

P.S. I should call to your attention too the important economic counter-measures we are being asked to prepare [and] to take if necessary. You will see the implications for wheat to China. They are better than war, but serious to us. R.B. B[ryce]

246.

DEA/50341-40

*Le chef de la mission militaire à Berlin
au secrétaire d'État aux Affaires extérieures*

*Head, Military Mission in Berlin,
to Secretary of State for External Affairs*

TELEGRAM 42

Berlin, August 13, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: Bonn from Berlin.

BERLIN

The new DDR control measures introduced earlier this morning appeared to be in complete and effective operation at noon today although in some open spaces along sectors of border, now well guarded by heavily armed troops and police, work was still continuing on erection of barbed wire fences. I saw large East German forces including infantry, armoured cars units, tanks and (group corrupt) military factory groups concentrated at centre of city near main crossing points and around main railway station where all remaining rail connections to West Berlin are now subject to rigid control. There was no repeat no interference or control of our car and tourist traffic subject to close control was moving normally.

2. Atmosphere in East Berlin was depressing and city centre gives all appearances of state of siege. Attitude of people on streets was one of curiosity and apathy but situation clearly tense and difficult at this point to say how their mood will develop in course of next few days. West

Berliners are also upset and special police measures have been taken on this side to prevent incidents along border.

3. Effect of new DDR control measures which are intended to eliminate refugee traffic and border crossers problem completely is to stop all East Berliners, unless they have special police permits, from visiting West Berlin. East Germans living outside Berlin area are also requested not repeat not to visit Berlin. All other traffic e.g. on accessible routes and visiting West Germans, West Berliners and allied and Western diplomatic personnel to East Berlin is explicitly declared to be unaffected by new control and subject only to already existing practices.

4. Clever weekend timing of move, special deployment according to British source of two Soviet divisions including 400 tanks around city perimeter and concurrently publication of Warsaw Pact declaration supporting new East German measures suggest whole operation was worked out and coordinated in Moscow over past week or so. Special meeting of Volkskammer Friday gave DDR régime blank cheque to take measures of this kind and result to what undoubtedly led to example totalling over 3500 refugees in last 33 hours evidence so before barrier went down.

[A.F.] HART

247.

DEA/50341-40

*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, August 14, 1961

BERLIN

After several weeks of increasing numbers of refugees crossing from East Germany to West Germany through Berlin and mounting unrest in East Germany, the Soviet Union closed yesterday the zonal border in Berlin. By the use of soldiers, barbed wire, and the cancellation of certain subway services, Soviet and GDR authorities are preventing the movement of both refugees and approximately 53,000 East Berlin citizens who are employed in West Berlin. As you will have seen, newspaper reports state that the closure of the border was accompanied by unrest and demonstrations by West Berlin citizens. The border has not been closed to West Berliners working in East Berlin or to *bona fides* Western travellers.

Assessment

In 1953, in 1957, and again last year, East German and Soviet troops sealed the Berlin border for a few days. Specific reasons were given for these closures but it appears that this time no explanation has been offered by the East German authorities. It may well be that Khrushchev has decided to take this step at this time and make it permanent so that the question of the flow of refugees from East to West Berlin will not be a major point of discussion in any forthcoming negotiations with the three major Western Powers, especially if the USSR intends to guarantee freedom of access to West Berlin. Khrushchev may have decided to take the risk of closing the Berlin border at this time so that any emotions or difficulties stimulated by this move will have diminished by the end of this year (the date when he has said he will sign a separate peace treaty with East Germany, unless a "peaceful solution" has been reached with the West before that time).

During the past few weeks, various steps have been taken by the East German authorities to encourage the 53,000 East Berlin citizens who have been working in West Berlin to seek employment in East Germany where there is an acute labour shortage. Hence the prevention of these workers crossing into the Western sectors of the city has not come as a complete surprise. More sudden and unexpected has been the denial of all access to West Berlin of people travelling from East Berlin. However, even this step has been feared recently as a result of the fact that increasingly large numbers of East Germans have been crossing into West Berlin and making the labour shortage in East Germany even more serious. (Last week 12,448 East Germans sought asylum in West Berlin, the highest figure this year and believed to be the peak since 1953.)

The immediate danger in the present situation arises from the fact that the people of West Berlin in particular and of West Germany in general may attempt in some way to help their fellow Germans if the suppression of the refugee stream causes some sort of revolt in East Germany. A revolt and intervention by West Germans could, of course, produce a situation in which the USSR, the Federal Republic of Germany and the United States might be forced to make hasty decisions about military intervention.

It has been reported in past weeks that President Kennedy has ordered that nothing be done to encourage violence in East Germany and the Federal Republic has shown restraint in propaganda aimed at the east. Press reports state this morning that Dr. Adenauer broadcast yesterday to the East Germans, urging that nothing should be done to make the present situation worse. Dr. Adenauer also said that "counter-measures" are being considered. Presumably, what the Chancellor had in mind would be a termination of all commercial contacts between East and West Germany, a step which in the past has been sufficient to deter East Germans from hindering access to West Berlin. The United States has already officially denounced the closure of the border.

If, as seems likely, the Soviet Union has decided to close the border as part of a more long-term policy to stabilize the East German régime, it will probably be unlikely that economic countermeasures will induce the East German authorities to re-open the border. For a long time it has been open to the Soviet Union to seal the border between the two parts of the city, despite the fact that post-war agreements stipulated that the whole city should be under Four-Power control. The current Soviet move may be seen as one more step in Soviet plans to make the division of Germany more permanent.

N.A. R[OBERTSON]

248.

PCO

*Note du ministre de la Défense nationale
pour le Cabinet*

*Memorandum from Minister of National Defence
to Cabinet*

CABINET DOCUMENT NO. 298-61

Ottawa, August 14, 1961

SECRET

CONTINGENCY MEASURES IN RESPECT TO BERLIN

1. At a NATO Council meeting held on 8 August 1961, immediately following the Four Power Conference on the Berlin crisis, Secretary of State Rusk made a comprehensive statement of US views of the essential elements of the problem and outlined, *inter alia*, the military steps which the US had taken, or intended to take, in the interests of strengthening the

Western negotiating position and of indicating the determination of the West not to yield to threats in areas of vital interest. In stating this position Mr. Rusk stressed that unity of the Alliance was essential at this time and urged all nations of the Alliance to take similar measures.

2. In the discussion following Mr. Rusk's presentation the French, German and UK representatives approved the position taken by the USA and in turn outlined the specific military measures being considered by their governments. Several other representatives were in a position to indicate their intentions to institute similar measures. A summary of the measures taken or proposed by the US and other nations is at Annex "A". †

3. We are informed by the Canadian NATO Delegation that a Council meeting is tentatively scheduled for 21 August at which time it is expected that representatives will have substantial comments from their governments on the various views and proposals put forward at the 8 August meeting. These comments would cover proposals in the economic, political, psychological and military fields. In the interests of developing at least a preliminary Canadian view in regard to possible military measures consideration should be given now to a number of steps which might be taken by Canada to indicate our support of a firm and unified NATO attitude and to improve the effectiveness of our military forces.

4. While, as pointed out by our NATO representative at the 8 August meeting, Canada has met her NATO Force Goals and is continuing to strengthen the Canada-US region, there is a number of measures which might be taken to further strengthen our position both in the present crisis and on a continuing basis. These measures are listed by general category in Annex "B". Recommendations for specific action within these general categories will be made separately. While each measure is applicable to the present crisis, it is not possible to forecast the exact nature of developments or the duration of the crisis. Therefore wherever possible measures have been selected which it is believed are militarily and economically supportable on a long-term basis.

[D. HARKNESS]

[PIÈCE JOINTE/ENCLOSURE]

Annexe B

Annex B

SECRET

MILITARY CONTINGENCY MEASURES

1. This Annex lists general categories of measures which might be taken to indicate Canadian support of a firm and united NATO position in the present Berlin crisis, and to improve our state of preparedness to meet an increased threat of hostilities.

2. *Nuclear Weapons*. Complete a CAN/US nuclear weapons agreement without further delay and hasten the procurement of the nuclear weapons systems needed by the Services in their current roles.

3. *Civil Defence*. Measures should be taken to increase the level of civil defence preparation such as:

- (a) initiate partial manning of emergency HQs at all appropriate levels on a full time basis by both governmental and military staffs.
- (b) stockpile rations, fuel and lubricants at camps, depots, etc.
- (c) consider additional civil defence measures as may be recommended by EMO.

4. *Manpower*

- (a) remove budgetary limitations on manpower ceilings;
- (b) increase manpower ceilings where necessary;
- (c) lift arbitrary service ceiling on forces in Europe;
- (d) increase the preparedness and effectiveness of the reserves.

5. *Rotation.* Adjust rotation of units or troops for the time being to the extent necessary to permit maximum operational efficiency during the period of tension.

6. *Weapons, Equipment and Logistic Support Generally.* Give consideration to selected programs and items which would be consistent with existing roles and supportable on a long-term basis.

7. *Evacuation of Dependents.* Canadian, US and UK policy on evacuation will be largely interdependent. The solution may range from no evacuation prior to an emergency through partial evacuation, to total evacuation during a period of tension.

Total Evacuation

Approximately 24,000 DND dependents are involved and on a "crash action" basis the period taken to evacuate them would depend upon the availability of air and surface transportation at the time the decision is taken. Transportation costs would amount to between \$5M and \$6M.

A progressive evacuation employing Service aircraft and commercial ships would require approximately three months.

Partial Evacuation

Partial evacuation could be carried out by halting the despatch of any more dependents to Europe until the crisis has been resolved and introducing a policy of allowing troops to elect evacuation of their dependents from Europe.

8. *General Military Measures.*

Make available to our allies all possible Canadian existing facilities to improve the defence posture of the West.

Increase the tempo of military exercises.

Concentrate troops and equipment so as to facilitate timely reinforcements of overseas formations.

The states of readiness of the forces can be increased instantly by stages at any time that such action is decided upon.

249.

DEA/50341-40

Note de l'ambassadeur en République fédérale d'Allemagne

Memorandum by Ambassador in Federal Republic of Germany

SECRET

[Ottawa], August 16, 1961

I have brought up to date in this memorandum the views I have been expressing in telegrams from Bonn.† In paragraph 11, I set forth the main provisions of the kind of agreement on Berlin which I think the West should try to secure in the forthcoming negotiations with the Soviet Union. The memorandum is followed by three annexes.‡ The first annex deals with the role which the U.N. might play in a reunited, independent free city state of Berlin. The second annex gives my reasons for believing that Western interests would be served by the substitution of an entirely new contractual agreement on Berlin for the present

rights based on conquest. The third annex deals with the tactical problems of preparing for the negotiations with the Soviet Union.¹⁸

* * * * *

1. The task of working out some tolerable and honourable accommodation with the Soviet Union on Berlin will be extremely difficult. One cannot reasonably expect a sensible flexible Western negotiating position to take shape quickly. Time is necessary and patience and quiet, confidential, private exploratory talks at which tentative ideas are exchanged about the limits of possible concessions and counter-concessions and governments gradually move away from fixed positions. The negotiations with the Soviet Union must be tough but likewise unhurried and patient.

2. Our objective should be an arrangement under which Greater Berlin would be united under a freely elected government; the right to maintain Western military forces in Berlin would be preserved unimpaired; rights of access to Berlin for both military and civilian traffic would be better assured; and Berlin would be maintained as a place where people from East and West Germany can meet and talk.

3. The Soviet Union would find such an arrangement distasteful since it would involve the granting of freedom and self-government to over a million East Berliners and the removal of the capital of the DDR from East Berlin. The West is therefore unlikely to be able to persuade the Soviet Union to agree unless the West in its bargaining with the Soviet Union gets full value out of Western Bargaining counters.

4. The Western bargaining position has lately been strengthened by the obvious determination of the West to fight if necessary to defend the freedom of the West Berliners. The West must continue to do what it can to ensure that the Soviet Union is in no doubt about this. President Kennedy's recent public statements and actions have been extremely helpful. But from now on private, solemn warnings communicated through diplomatic channels from government to government are likely to carry more weight with the Soviet Government than the reiteration of public declarations. They are also less apt to have dangerous side effects.

5. The chief bargaining counters possessed by the West are *de jure* recognition of the Oder-Neisse line and the acceptance of arrangements which would imply a long step in the direction of *de facto* recognition of the DDR. The value of these counters tends to diminish the longer we put off using them since the Soviet Union believes, and with a good deal of justification, that *de jure* recognition of the Oder-Neisse line and *de facto* recognition of the DDR are virtually inevitably before many years have passed.

6. Because Khrushchev in his public statements for the last two and a half years has put so much emphasis on the necessity of abolishing the occupation status of Berlin, consent by the West to such a change constitutes another Western bargaining counter.

7. It would be folly to let the Soviet Union know at the outset of a long process of tough diplomatic bargaining that the West is prepared if necessary to use all these bargaining counters. But it is essential for the West to decide before entering into negotiations the price which it is if necessary prepared to pay for a tolerable and honourable accommodation on Berlin.

8. Any such accommodation would not be without risk to the West. No matter how good the accommodation is, the freedom of Berlin will continue for the foreseeable future to be in danger from Soviet aggression – but so will the freedom of the allied world as a whole and the uncommitted world. Moreover an accommodation on Berlin will not constitute a solution of

¹⁸ Note marginale :/Marginal note:
Original given to P.M. by the author. H.B. R[obinson]

the Berlin problem. The only solution of the Berlin problem is the unification of Germany and that is not likely to take place in the foreseeable future. All we can hope for now is an accommodation on Berlin which carries with it less risk to our interests than the present situation under which our interests are very vulnerable.

9. The main risk of the present situation, it seems to me, is not some open, dramatic assault on the Western position in Berlin or on the freedom of West Berliners to which the West could respond with a credible threat of war. It is rather that the Soviet Union will attempt to whittle away at the Western position, the so-called salami tactics. The threat of war against the use of such tactics is not a very effective weapon for the West to use since the Soviet Government will scarcely find it credible that the West would really be prepared to fight over a minor or symbolic issue.

10. Thus it must recently have become clear to the Soviet Government that the West is not prepared to run serious risks of war if the Soviet Government should conclude a separate peace treaty with the DDR or if DDR officials perform the functions now performed by Soviet officials with respect to military traffic on the access routes. Is it not likely that the Soviet Government may conclude that it can in time safely do such things as making unreasonably large increases in charges for the use of the access routes by road, rail and canal, authorizing the erection of high buildings in East Berlin which will increase the risks of using the West Berlin air port, closing roads and canals for repairs for unduly long periods? And so on.

11. The following are the main provisions of the kind of agreement on Berlin which I think we should try to secure. An independent, self-governing, neutralized, democratic free city of the whole of Berlin would be established by international statute. The city would be precluded from joining either East or West Germany or from becoming a member of any military alliance but it could make agreements on economic and cultural matters with foreign governments and international agencies. (Under this provision Berlin would presumably become *de facto* part of West Germany on all matters other than political and military.) The government of Berlin would be elected by free elections which might be organized or at least observed by the United Nations. The Four Power Commission could intervene in the affairs of Berlin only if it were unanimous. Each of the Four Powers would have the right to station troops in its own sector at their present levels. No nuclear arms or weapons capable of delivering nuclear arms would be permitted in Berlin. International servitudes would be created across East Germany to Berlin from West Germany and Poland by air, rail, canal and road which would permit unimpeded access for goods at reasonable charges. The citizens of West Germany and the DDR would have freedom of access to Berlin. The Security Council would appoint a United Nations High Commissioner for Berlin. United Nations observers in Berlin and on the access routes would confirm that the provisions of the international statute were being implemented. Token United Nations forces could be established in Berlin. The international statute would be signed and ratified by the Four Powers, Berlin, and East and West Germany and would be adopted by the Security Council and the General Assembly of the United Nations. The statute would terminate when Germany became united. It could not be terminated before then except by a decision of the Security Council approved by the General Assembly. The statute would end the occupation status of Berlin and terminate all rights and obligations flowing from that occupation status.

12. The statute should be so drafted that it would not constitute *de facto* recognition of the DDR. Khrushchev has not indeed asked for that. But the coming into force of the statute would constitute a long step in the direction of *de facto* recognition.

13. If it should become clear that the Soviet Union would not be prepared to see Berlin reunited under a democratic government, the West might propose that the status quo in East Berlin be preserved and that a régime be set up in West Berlin by international statute along the lines of that set forth above. There would, of course, be no right of intervention by the Four

Power Commission in the affairs of West Berlin and Soviet troops would not be permitted in West Berlin.

14. The concessions to the Soviet Union in such an agreement would be the movement towards *de facto* recognition of the DDR and the abolition of the occupation status of Berlin. The Soviet Government might insist that in addition the West acquiesce in the absorption of East Berlin into the DDR. Here perhaps would be the basis for a bargain without bringing in recognition of the Oder-Neisse line. But it would be a bargain less favourable to the West than an agreement establishing a free city of the whole of Berlin.

[ESCOTT REID]

250.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], August 17, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Labour (Mr. Starr),
 The Solicitor General (Mr. Browne),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Public Works (Mr. Walker),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretaries to the Cabinet (Dr. J.S. Hodgson), Mr. D.B. Dewar, Privy Council Office.

...

BERLIN SITUATION
 (Previous reference July 24)

5. *The Prime Minister* said that he would make a few comments about the Berlin situation and then ask the Secretary of State for External Affairs to report on the latest developments. The Cabinet should then consider what defence measures should be taken in the light of the situation. In particular, it would be necessary to consider policy in respect of nuclear weapons. He had made it clear in 1959 that the Canadian forces with N.A.T.O. in Europe would be equipped with nuclear weapons if and when that action became necessary and the proper arrangements could be made. In regard to defensive nuclear weapons for use in Canada, he had stated in the House of Commons that a decision would be made if and when the United States agreed to the principle of joint control. There had been a great deal of interest in disarmament in Canada since these statements were made. A large part of public opinion tended toward the position that Canada should not have nuclear weapons even if there was joint control over them. He did not accept that position.

6. *Mr. Diefenbaker* read portions of the speech of Mr. Khrushchev on August 7th,¹⁹ and said it was a useful guide to the Soviet leaders' future intentions. Khrushchev had described the future plans of Russia and claimed that they were causing dejection to the enemies of what he referred to as the "socialist" system. He had claimed he was in favour of a free West Berlin but wanted to prevent it from becoming a second Sarajevo, and he had ridiculed Western concern for the principle of self-determination, asking how countries that had held colonies in subjection and had aggressed against new states could be concerned about the application of the principle of self-determination in Germany. Khrushchev had said that war against the "socialist" states could not be confined, and had warned that all members of N.A.T.O. were caught in the net of U.S. alliances. He said the danger of an attack on the "socialist" states by the "imperialist" states could not be disregarded, and had reaffirmed his intention to sign a peace treaty with East Germany. The speech was a brilliant piece of work and made clear again the need for the West to ensue a manifesto declaring what it stood for. The speech showed again that the West was threatened by economic means and that the Soviets might resort to stronger means if the West showed a degree of opposition that seemed to require them.

7. *Mr. Diefenbaker* said he had seen the Canadian Ambassador to Germany that morning, and that the Ambassador had a plan for a solution to the Berlin problem that involved the creation of a free city under the United Nations with its status ratified by the two parts of Berlin, the two Germanies and the four Great Powers. The plan also contemplated the location in Berlin of token forces of the Western powers as well as a U.N. force. Mr. Khrushchev had never given an indication that he would accept such an arrangement. The Ambassador had reported that Chancellor Adenauer was less rigid in his attitude than previously, and that he might be more flexible after the German elections, which Mr. Reid believed he would win. It seemed clear that there was no possibility of German reunification in the near future. Adenauer probably had only about another year in public life and his objective was to leave as his legacy a Germany as closely allied to the West as possible.

8. *The Secretary of State for External Affairs* said the most serious recent incident was the sealing by the East Germans of the border between East and West Berlin. This act was inconsistent with the agreement made among the Four Powers at the end of the war, under which there was to be freedom of movement in the four sectors of Berlin; the Soviets had claimed for some years, however, that this agreement was no longer in force. Canada was not directly involved in this latest act by the Eastern side, because the undertakings of N.A.T.O. did not extend to East Berlin or East Germany and there had been no interference with the access routes from West Germany to West Berlin.

9. *Mr. Green* pointed out that West Germany was involved in an election campaign in which the leader of the main opposition party was the mayor of West Berlin, and a large number of the voters had come from East Germany. There was unlikely to be any more flexibility in the German position until the election was over. Demands would increase from West Berlin and West Germany that the U.S. take firm counter-actions against the Communists; already university students and others in Germany had protested what they considered to be a weak response on the part of President Kennedy to the closure of the border between East and West Berlin.

The United States, United Kingdom, France and Germany were involved in consultations about the course they should follow. In these consultations, it appeared that Germany and France were asking for firm counter-measures, whereas the U.K. and U.S. were advocating a

¹⁹ Voir/See "Excerpts from Khrushchev Speech on the Berlin and German Situations," *New York Times*, August 8, 1961, p. 8.

more restrained approach. One limiting factor on the U.K. in these consultations might be that she would not want to antagonize the Germans whom she hoped would assist her in gaining membership in the Common Market. The Berlin situation would almost certainly be discussed at the meeting of uncommitted countries in Belgrade on September 1st and at the U.N. General Assembly Session which began on September 19th just after the German elections.

President Kennedy had made it clear that the freedom of West Berlin and the Western Powers' rights to have access to the city and keep troops there were not negotiable. Some other aspects of the situation, however, might be negotiable. Among these was the question of settling the Eastern borders of Germany at the Oder-Neisse line; the French government had already spoken in favour of an agreement to accept the Oder-Neisse line. The details of the arrangements for West Berlin should also be negotiable. In this connection the plan proposed by Ambassador Reid was interesting and good but it probably would not be acceptable to all the countries involved. Recognition of East Germany would have to come about eventually, and it might [not] be to the benefit of Canada for this to happen, since the continuing division of Germany was probably in Canada's interest. Indeed this was a view widely held in a number of countries. Although it would not likely be possible for the major allies of Germany to discuss with her before the elections the possibility of recognition of East Germany, it was possible that Adenauer would be more flexible after the elections.

10. *Mr. Green* said that the job of Canada at the present time should be to persuade its friends to keep their positions flexible and not assume threatening attitudes. Canada should not just fall in line with the U.S. by taking actions which would tend to add to the atmosphere of threat. The objective should be to prevent the outbreak of war, and this could best be done by not threatening others.

11. *There was some discussion at this point* about the sequence of events that might be expected to follow the signature by the Soviet Union of a separate peace treaty with East Germany. It was explained that the effect of such a treaty would be that the East German government would be able to control the access to West Berlin from West Germany which was guaranteed to the Western occupying powers by the agreements made at the end of the war. These agreements did not guarantee freedom of movement for civilian traffic between West Germany and West Berlin, but only for military supplies for the occupying powers. Canada had not been informed of the plans that the Western occupying powers and Germany intended to implement if access to West Berlin was closed off, but it had been suggested publicly that the U.S., in that event, intended to force its way through to the city. The right of the Western Powers to do this was questionable, since the Four-Power agreements were loosely drawn. If access for civilian traffic only was denied, it seemed very doubtful if the Western Powers had a right to try to open the roads again.

12. *Mr. Green* said that on August 8th U.S. Secretary of State Rusk had made proposals to the N.A.T.O. Council on the actions that should be taken if the Berlin crisis grew worse. After outlining the military measures that the U.S. had taken and intended to take, and asking that other member countries should consider what similar actions they might take, Secretary Rusk had told the Council of the proposals emerging from the meeting of the Foreign Minister of the U.S., U.K., France and Germany on possible economic counter-measures. The Canadian Ambassador in Washington required instructions for discussions with the Secretary of State on these matters in a day or two and Canada's Permanent Representative to N.A.T.O. would also require instructions for the Council meeting on August 21st. On the military side, Canada was, next to the U.S., in the best position of any N.A.T.O. country in having met its commitments to provide forces for the Organization.

He was amazed at the proposals of Secretary Rusk for economic counter-measures, and the U.K. had also been surprised at them. It was proposed that, if military or civilian access, air or

ground, to West Berlin was blocked, immediate economic counter-measures amounting to a total economic embargo against the Soviet Bloc should be imposed. This would include among other things the expulsion from N.A.T.O. countries of all Soviet Bloc technical experts and trade officials without diplomatic immunity, the termination of all trade agreements involving Soviet Bloc countries and the denial of all exports to and stoppage of all imports from Soviet Bloc countries by N.A.T.O. members. N.A.T.O. ports would also be closed to all Soviet Bloc shipping.

Such measures would not be taken now but only if access by the Western Powers to West Berlin was denied, if then. But Canada had been asked to agree now to take these measures if certain contingencies arose in the future and to initiate the necessary legislative and administrative actions. Taking these economic measures would mean war and would quite likely be interpreted as such by the Soviets. Ambassador Reid had warned of the danger that, if and when the Soviets decided the West had determined to fight, they might strike first.

He read the draft telegram of instructions to Mr. Heeney† which asked him to see Mr. Rusk at the earliest opportunity. In respect of military measures, he was to tell Mr. Rusk that public proclamations of military preparation would not be helpful because they would not impress the U.S.S.R. unless they were carried out, and Khrushchev could easily outbid the West in any such efforts. It was a prudent and necessary precaution, however, for the West to put its defences in as efficient a state as possible but to try to do so in such a way as not to contribute to an increase in tension. Canada had met its commitments to N.A.T.O., but consideration should be given to what further steps might be taken to indicate Canadian support of a united N.A.T.O. position and to improve the state of preparedness.

Mr. Heeney was also asked to say that economic retaliation should not be used to counter prevention of movement from East to West Berlin. East Germany had the ability to control the movement of its citizens, and some restraint on the refugee flow at some time was probably inevitable. It was more satisfactory from the West's point of view that this be done by dividing East from West Berlin rather than trying to interfere with movement between West Berlin and West Germany. It was not certain that economic counter-measures would be effective or that their long-term effects had been properly thought through by the Western planning group.

The draft instructions further asked Mr. Heeney to say that the sealing off of East Berlin gave the West a good tactical opportunity for now proposing negotiations. The U.S.S.R. had broken a Four Power agreement on Berlin but had not interfered with essential interests of the West or of West Berlin citizens; the move also seemed to be a move based on weakness rather than strength. For these reasons, it would be useful if it became known soon, preferably before the U.N. General Assembly, that negotiations were in the offing and that they might possibly begin with meetings of the four foreign ministers.

13. *During the discussion* of this draft message, the following main points were made,

(a) The economic counter-measures proposed by Mr. Rusk would not be appropriate as a response to the closure of the border between East and West Berlin, because they were tantamount to war and no one should intend to go to war because East Berlin had been sealed off; Canada should support those who were opposing the appeals from West Berlin for imposition of economic sanctions now. Economic measures might not be too strong a response, however, if Western access to West Berlin from West Germany should be denied. Some said that economic counter-measures would not be an effective response to denial of access because they would be slow in taking effect; an immediate reaction was necessary, and this would have to be by military means. Others said the West now had two responses to such a situation, the use of nuclear weapons and economic sanctions. The possible use of economic sanctions should not be dismissed because they might be the West's only alternative to nuclear war.

(b) It was suggested that Canada should not consider economic sanctions except as a last resort, because they had many serious implications, would be a disastrous blow to Canada's economy and might be applied for a year. Others said the effect on Canada's economy would be less severe but sanctions might have an adverse effect on the wheat deal with China. It was said that economic sanctions could never be effective against the Soviet Union and that it would be misleading to tell the people that Russia could be restrained by such measures. However, economic sanctions might be very effective against East Germany, which was a very important industrial area in the Communist Bloc.

(c) The position might be taken now that economic sanctions should be considered if military and civilian access to West Berlin was denied; should it then turn out that only civilian traffic was stopped the Canadian position on the matter would still be fluid.

(d) If access to West Berlin by road was cut off, it was questionable whether the initiation of an airlift would constitute "maintenance of access." In any case, West Berlin had grown industrially since 1948 to such an extent that its economy could not be sustained indefinitely by an airlift. There was some danger that if the Russians knew that the West was likely to respond to denial of access with an airlift only, they would welcome the challenge and wait for the economic strangulation of West Berlin. On the other hand, the city could survive for some time if an airlift were in effect, and this time could perhaps be used for the negotiation of a settlement of the crisis.

(e) Secretary Rusk had suggested that negotiations over Berlin might begin among the Big Four foreign ministers in October. Some Ministers thought that all the N.A.T.O. countries should be involved in the Western planning on Berlin, because all would be affected by the outcome of the crisis. Others said that only the occupying powers in West Berlin and West Germany were directly involved so far, since no N.A.T.O. interest had been interfered with. It was suggested that careful consideration should be given to the practical and propaganda implications of beginning negotiations with the Soviet Union while that country was still in breach of the Four-Power agreements on Berlin. Perhaps the West should make negotiations conditional on the Soviet Union restoring the situation in Berlin in accordance with those agreements. On the other hand, negotiations were too important to the West to make them conditional on an improvement of the situation in East Berlin. Negotiations were necessary if the Western Alliance was to be held together. The difficult problem was finding aspects of the problem that were negotiable.

(f) It was difficult to take a strong stand against the signing of a separate peace treaty between the Soviet Union and East Germany, particularly since the Western countries had signed a separate peace treaty with Japan. Nor would East German rather than Soviet processing of passes on the access routes be a reasonable cause of war; to the extent that acceptance of East German processing of passes involved *de facto* recognition, the West should probably be willing to grant it. What could not be accepted was the consequence that Soviet withdrawal from their responsibilities in Berlin and the access routes terminated the Western rights set out in the Four-Power agreements. The West could not afford to betray West Berlin because that would result in a loss of confidence in the West throughout the world.

14. *The Prime Minister* suggested that, in the section of the instructions to Mr. Heeneey dealing with economic sanctions, it should be said that the prevention of movement from East to West Berlin did not warrant the application of economic counter-measures but that, if military and civilian access to West Berlin from West Germany was denied, there should be consultation on the matter at that time.

15. *The Cabinet* took note of the statements by the Prime Minister and the Secretary of State for External Affairs on the Berlin situation and approved the despatch of instructions to the Canadian Ambassador in Washington, as they had been agreed to during the discussion.

POSSIBLE DEFENCE MEASURES ARISING OUT OF BERLIN SITUATION
(Previous reference July 24)

16. *The Minister of National Defence* said that U.S. Secretary of State Rusk had informed the N.A.T.O. Council on August 8th of the military measures which the U.S. had taken or intended to take in the interests of strengthening the Western negotiating position on Berlin and of indicating the determination of the West not to yield to threats in areas of vital interest. Mr. Rusk stressed the need for unity of the Alliance and urged all member countries to take similar measures. The French, German and U.K. representatives had approved the position taken by the U.S. and had outlined the specific military measures being considered by their governments. Several other representatives had also indicated their governments' intentions to institute similar measures.

Another N.A.T.O. Council meeting would be held on August 21st, at which the comments of governments on the views and proposals put forward on August 8th would be expected. These comments would cover proposals in the economic, political, psychological and military fields. For the purpose of developing at least a preliminary Canadian view in regard to possible military measures, consideration should now be given to steps that might be taken to indicate support of a firm and unified N.A.T.O. attitude and to improve the effectiveness of Canada's military forces.

While Canada had met its N.A.T.O. Force Goals and was continuing to strengthen the Canada-U.S. region, there were a number of measures that might be taken to strengthen the Canadian position both in the present crisis and on a continuing basis. These measures included the completion of an agreement on nuclear weapons with the U.S. and the procurement of nuclear weapons systems, steps to increase civil defence preparedness, the raising of manpower ceilings, the adjustment of rotation plans, improvements in weapons, equipment and logistic support generally and consideration of plans to evacuate dependents from Europe. Canada might also consider making available to its allies all possible Canadian existing facilities to improve its collective defence posture, increasing the tempo of military exercises, concentrating troops and equipment to facilitate reinforcement of overseas formations and preparing to increase states of readiness of the forces if and when such action was decided upon. It was not possible to forecast the exact nature of developments or the duration of the crisis; wherever possible, therefore, measures had been selected that it was believed were militarily and economically supportable on a long-term basis.

An explanatory memorandum had been circulated, (Minister's memorandum, August 14 – Cab. Doc. 298-61).

17. *Mr. Harkness* said the view of the Chiefs of Staff, with which he agreed, was that the Russians were unlikely to push the present crisis to the point of war, but that war could occur nevertheless, particularly if there were a revolt in East Germany and if West German forces were tempted to move in to help the insurrectionists. Even if the present crisis were resolved in the next few months it seemed clear that a fairly intense cold war situation would continue. The build-up of Canada's forces was justified therefore not only by the present need to show a determination to stand with our allies but also by long-term requirements. It was necessary to strengthen conventional forces so that Canada could meet military threats in the future without recourse to nuclear war.

The Minister made a number of specific proposals and the discussion on them proceeded in the following terms,

(a) The partial manning of emergency headquarters would require about 500 servicemen, and they could be provided from within present manpower availabilities.

(b) Stocks of food could be dispersed from centralized military stores to depots outside target areas; the amount of dispersal would be limited by the capacity of the depots. Purchase of replenishment stocks from the centralized stores might amount to 100,000 rations.

(c) Dispersal of vehicles, blankets, clothing and medical stores could be made from centralized locations to depots at Valcartier, Shilo, Wainwright, Regina and Whitehorse. The capacity of these installations would be a limiting factor in the size of the movement. The only additional costs involved in moving these stores would be for transportation and some of the movement could be done by Army vehicles.

(d) A speed-up of purchases of such national survival requirements as radiaic instruments and equipment for decontamination, water purification and lighting could be accomplished by faster processing and approval of submissions by the Treasury Board. The \$2,800,000 programme to provide fallout protection for fallout reporting posts for which funds existed in the 1961-62 Estimates, and the extended programme for procurement and installation of sirens, for which it was intended to include \$2,100,000 in the 1962-63 Estimates, might both also be accelerated by Treasury Board action.

(e) The Nuclear Detonation and Fallout Reporting System was in the process of being formed, but delivery of equipment for it would not be completed until September 1962. If radiation monitoring equipment now available were re-distributed immediately, however, the system could be given a limited capability in about two weeks.

(f) A survey was under way to determine the availability of fallout protection in Army buildings, but it would take many months to complete unless more people were put to work on it. A survey of other federal buildings was also being done, and both surveys might be accelerated.

(g) The various Army Works Services projects could be expedited if greater authority were delegated to GOC's and other officials to do such things as award contracts, use local purchase to a greater degree, and approve overtime work. The matter of granting such authorities and the possibility of augmenting Army Works sub-staffs to expedite the various programmes should be considered by the Treasury Board.

(h) The Emergency Measures Organization should complete arrangements with the C.B.C. concerning operational procedures for warning broadcasts. Funds had been authorized for this purpose, no additional manpower was needed, and the arrangements could be completed in one month.

(j) The proposal to build fallout shelters in DND married quarters had been before the Cabinet Committee on Emergency Plans and the Treasury Board, but no decision had been taken. The programme would involve 23,868 shelters at a cost of about \$12,900,000, and it could be completed by December 1st. It was suggested that such a programme would provide the Armed Services with protection not being given to civilians; on the other hand, the view was expressed that the government should take the lead in building shelters in housing units for which it was the landlord. This programme for married quarters would provide employment for some 5,000 persons for a period of 6 months, or a proportionately larger number if the period were shortened. The Treasury Board should be asked to reach a decision on the matter and to consider at the same time whether shelters should also be built in other government-owned housing units.

(k) Some thought that such measures as construction of shelters in DND married quarters would disturb the population; others thought however, that it would be helpful if people were made to realize the seriousness of the situation. Private citizens were unlikely to build their own shelters until the government provided them in its housing units.

(l) If another civil defence exercise were held in the fall, more provincial and municipal organizations would be ready to participate than at the time of the last exercise in May.

(m) The C.B.C. and the private television networks should perhaps be told that it was government policy that greater civil defence measures should be taken, and should be asked to broadcast a series of programmes encouraging the people to support the policy and take appropriate measures themselves.

(n) The Emergency Measures Organization would be asked to submit recommendations about additional civil defence measures that should be taken.

(o) The Brigade in Europe was below strength because it was subject to both budgetary limitation and a manpower ceiling of 5,500 men. Since the ceiling had been imposed, some men had had to be assigned to administrative or signal duties elsewhere, the squadron of armour had been increased to regiment size, and an air observation post for the artillery had been added. Moreover, the Honest John battery was to be added to the Brigade later this year. For all these reasons it might be necessary to remove the budgetary limitations and some manpower ceilings, particularly the arbitrary ceiling on the size of the Brigade, to allow for the addition to it of a little more than 1100 men.

(p) It was argued, on the other hand, that defence spending had been high for ten years, and that an Army force of 47,000 men had been developed for use in an emergency; now that the emergency had arisen, the extra requirements should be met from the large numbers of non-combatants in the Army. Canada's commitment to N.A.T.O. was three Brigades, which was some 16 or 17,000 men. There were in the Army about 30,000 additional men from which to draw in order to bring the Brigade up to strength. The Fourth Brigade, which was not required to meet N.A.T.O. commitments, should provide the additional men needed to bring the Brigade in Europe to strength. It was pointed out, however, that the Canadian commitment to N.A.T.O. was one Division, which comprised not just three Brigades, but also a divisional headquarters and a share of Corps Headquarters. The total Army commitment to Europe was probably more like 24 thousand men. Moreover, if the Fourth Brigade were disbanded, there would be no Army force in Canada for home defence after the forces committed to N.A.T.O. had left.

18. *The Cabinet* noted the report of the Minister of National Defence on preparedness measures that might be taken in view of the Berlin situation and agreed to the following actions,

(a) initiation of partial manning of emergency headquarters by military staffs;

(b) dispersal of stocks of food from centralized military stores to depots outside of target areas and replenishment of existing stocks;

(c) dispersal of existing stocks of vehicles, blankets, clothing and medical stores from centralized locations to installations outside target cities;

(d) redistribution of radiation monitoring equipment now on issue to Army units for re-entry operations to fallout reporting posts to give the Nuclear Detonation and Fallout Reporting System an interim capability;

(e) a speed-up of the survey of fallout protection in existing federal buildings; and,

(f) acceleration to completion of arrangements with the Canadian Broadcasting Corporation for warning broadcasts.

19. *The Cabinet* further agreed,

(a) that the Treasury Board should take all possible steps to accelerate processing and approval of pending and forthcoming submissions on:

(i) purchases of national survival equipment as provided for in the 1961-62 Estimates;

(ii) provision of fallout protection for fallout reporting posts; and,

(iii) a speed-up of the extended programme for the procurement and installation of sirens;

(b) that the Treasury Board should give further consideration to the proposal to expedite Army Works Service projects through the delegation of certain authorities to General Officers Commanding and other officials and the augmentation of Army Works sub-staffs;

(c) that the question of construction of fallout shelters in D.N.D. married quarters and other housing units owned by the government should be submitted to the Treasury Board for consideration and early decision; and,

(d) that a civil defence exercise similar to Exercise Tocsin 1961 should be held between October 15th and November 15th, 1961, at a date to be fixed later.

19. *The Cabinet* also agreed,

(a) to give further consideration at an early meeting to the means of bringing the Canadian Brigade in Europe to full strength; and,

(b) to consider additional civil defence measures as might be recommended by the Emergency Measures Organization.

J.S. HODGSON

Assistant Secretary to the Cabinet

251.

DEA/50346-2-40

*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-350

Ottawa, August 18, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 2031 Aug 8† and subsequent related tels† and our tel S-344 Aug 16 to Washington.†

Repeat for Information: London, Washington, Paris, Permis New York, Bonn, CCOS.

By Bag Moscow from London.

GERMANY AND BERLIN: NEGOTIATIONS

We propose to deal in this telegram with the subject of possible negotiations on Berlin and Germany as raised by Mr. Rusk during his appearance before the North Atlantic Council on August 8. Our immediately following telegrams† will deal with military preparations, economic countermeasures, Soviet intentions, and publicity themes. You will already have seen some of our views on the first three of these subjects in my reference telegram.

2. In general, Mr. Rusk's speech and the reports he submitted are helpful. They reflect much careful thought and preparation. I welcome their flexibility and balance and, like the Norwegian representative, I am glad to see that a distinction has been made between vital interests and important interests (paragraph 8 your telegram 2038).†

3. I welcome the clear statement by Mr. Rusk that USA recognizes that negotiations "must and would take place." However, the questions remain of when these negotiations might be held and what the Western position at them might be. I believe, as I stated in paragraph 7 and 8 my reference telegram, that the recent Soviet action in preventing westward movement across the sector border in Berlin gives West a good tactical opportunity for now proposing negotiations. I do not repeat not mean by this that the West should negotiate now but rather than an attempt might now be made to reach agreement with USSR on forum of negotiations and that such an agreement be announced as a means of reducing tension and so that this step will have been taken before the opening of UNGA on September 19 (if not repeat not before the opening of the non-aligned conference in Belgrade on September 1). The current Soviet action in preventing Western movement across Berlin sector border seems a move based upon local weaknesses rather than strength. Both these appear to be reasons for seeking now agreement with USSR on a suitable forum for negotiations. I agree with Mr. Rusk that it might be best to begin negotiations with meetings of foreign ministers. Hence it would seem that in general, my views agree with those of Mr. Rusk as outlined in paragraph 10 your telegram 2031.

4. On the substance of negotiations, I should prefer that you do not repeat not attempt to give any views on this matter in the North Atlantic Council. We hope shortly to discuss further ideas about possible areas of negotiation in London, Washington, Brussels, Oslo, and Rome. At that time we shall instruct you to discuss our views privately with your British, USA, Belgian, Norwegian, and Italian colleagues.

[H.C.] GREEN

252.

DEA/50341-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 2641

Washington, August 24, 1961

SECRET. OPIMMEDIATE.

Reference: My Tel 2588 Aug 18.†

Repeat for Information: NATO Paris, London, Paris, Permis New York (Priority), Bonn (Priority) from Ottawa, CCOS Ottawa from Ottawa.

By Bag Moscow from London.

BERLIN AND GERMANY: ECONOMIC COUNTERMEASURES

In the course of our long talk last evening with the Secretary of State and several other principal USA officials concerned in the current crisis (upon which we will be reporting separately at some length), Rusk raised with us again the question of economic countermeasures. The Canadian Government, he said, had been prompt in its response on various aspects of the situation (my reference telegram). This USA greatly appreciated. The Secretary hoped that we would soon be in a position to respond to the proposal for a NATO economic embargo if, as and when the Soviet authorities took action to prevent Allied access to Berlin; if it were necessary for governments to make any prior executive or legislative arrangements before such an embargo could be imposed, Rusk urged that this be done in advance in order that the NATO reaction could be prompt and united.

2. This, in effect, was a repetition, with added emphasis, of the proposal made by Rusk to the NATO Council on August 8 and referred to in my conversation with Kohler of August 18 (my reference telegram). It is now, as we know, being examined by a working group set up by the Council on August 21.

3. I was not repeat not, of course, in a position last evening to respond one way or another. However, I did intimate to Rusk that there were, I knew, difficulties in the way of our making a decision in advance of the event upon a policy which would involve very serious consequences. As he knew, there was no repeat no disposition in Ottawa to underrate the gravity of any interference with Western access to Berlin; the Prime Minister had made this clear on a number of occasions in recent weeks. On the other hand, to decide now upon such measures and to take steps which might involve reference to Parliament at this stage was another matter. All that I could do was report to the government the Secretary's repeated request for our urgent consideration and the importance which USA attached to all NATO governments being willing and ready to take such action if and when the Soviets sought to blockade West Berlin.

4. From what Rusk said last evening, it seems that USA are contemplating the possibility of such economic countermeasures applying beyond the Soviet bloc to the wider area of Sino-Soviet countries.

[A.D.P.] HEENEY

253.

DEA/50341-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le premier ministre*

*Memorandum from Special Assistant to Secretary of State for External Affairs
to Prime Minister*

SECRET

[Ottawa], August 24, 1961

Attached is a report from Mr. Heeny in Washington on certain discussions which he and Mr. Escott Reid have been having with some leading United States authorities on Germany and Berlin. I am sending this to you to-night as I thought you would want to have it before you see Mr. Reid at 8.30 in the morning.²⁰

H.B. R[OBINSON]

[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 2645

Washington, August 24, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

²⁰ Note marginale :/Marginal note:

7.15 p.m. Mr. Heeny has spoken to me on the telephone. He wanted to be sure you had the opportunity of reading the attached report before you see Escott Reid in the morning. H.B. R[obinson]

Repeat for Information: London, Paris, NATO Paris, Permis New York (Priority), Bonn (Priority) from Ottawa.

By Bag Moscow from London.

BERLIN AND GERMANY; CURRENT USA THINKING

Last evening the Secretary of State dined with Escott Reid and me. Bohlen, Senior Adviser on Soviet Affairs, Kohler, Assistant Secretary for European Affairs, Bundy of the White House and Farquharson and Nutt of the Embassy were also present. We had a long and very informal conversation which, over three and a half hours, rarely diverged from some aspect of the Berlin crisis.

2. Escott Reid is returning to Ottawa by air this afternoon and will be reporting in person to the Prime Minister and to you and the Under-Secretary. However, we both think it useful that I should set down in this telegram what seemed to me the principal features of USA thinking as reflected in what was expressed last evening by the Secretary and his colleagues. You will appreciate the fact that the conversation was not repeat not only very private but also personal and uninhibited. Nevertheless, both Reid and I believe that what emerged is of importance in enabling us to assess USA thinking at the top level.

3. In my own judgment, the three points of most immediate importance to us in the formulation of our own policies are these

(a) USA Government has already reached the decision to make public their wish and intention to arrange early talks with USSR on problems of Berlin and Germany. In this they still hope for French acquiescence but they are determined to go ahead in any event – with the British of course. Their suggestion will likely be for a meeting of the Four Foreign Ministers when the UNGA sits in September. Whether USA contemplates any discussion in substance, or only procedure, was not repeat not clear to me.

(b) Notwithstanding their intention to hold early conversations with USSR, USA has no repeat no real hope of negotiations having constructive results. The Secretary and his colleagues made the lowest possible estimate of the prospects of USSR agreeing to any accommodation which would be satisfactory to the West.

(c) USA authorities would genuinely welcome any suggestions which we might put forward, however tentative, on the substance of any negotiations; if any such suggestions are to be influential, they will have to be made very soon.

4. In the course of the conversation, which for the most part was general, although there were some individual exchanges, Rusk did not repeat not attempt to hide USA irritation with the French with whom they seemed to have differences on a growing list of issues (he mentioned French irresponsibility over Bizerte²¹ at a time when we were in such deep difficulties over Berlin). There was still a lingering hope that de Gaulle might withdraw actual opposition to any Western initiative with regard to negotiations. This would be known within the next few days. But USA would go ahead anyway. He fully appreciated the importance of doing so before the Belgrade meeting and of course before the UNGA Session.

5. Escott Reid had the opportunity of advancing some of the views which he had set out in the memorandum on Berlin which he had prepared and revised before he left Ottawa.²² He will be telling you of last night's reactions to its various suggestions. I will confine myself to my own impression that, on the three principal "negotiating" points, the attitude of our American friends is as follows:

²¹ Voir/See Lloyd Garrison, "U.S. Urges Talks in Bizerte Crisis," *New York Times*, July 21, 1961, p. 3.

²² Voir/See document 239.

(a) On the Oder-Neisse line, they would agree that the West might now concede its permanence: but they believe that at best this would be of little interest to Khrushchev.

(b) On recognition of the DDR, this is certainly not repeat not to be excluded in some form, though there are, of course, difficulties; but again it is doubtful that Khrushchev would pay much of value to our side for such a concession.

(c) On some revision of the occupation status of Berlin, they range between resolute opposition and serious misgivings; they argue that the West would be surrendering solid rights for a new contract with a party whose word had proved worthless.

6. Repeatedly Rusk and our other guests enquired what advantage the West could conceivably derive from any arrangement to which Khrushchev would conceivably consent. Rusk and Bohlen were almost totally pessimistic as to the possibility of USSR agreeing to improvements in existing Western rights and means of access to Berlin. Indeed, at one point, Rusk went as far as to suggest that the best we could get out of negotiation would be to buy a year's time. He and Bohlen (in part perhaps to draw us out – or so it seemed to me) described Khrushchev's attitude in the familiar way, "what's mine is mine; what's yours is negotiable."

7. Personally I find it difficult to square such a dark assessment of the possibilities of negotiation with firm USA insistence that talks should be initiated without delay. Reid concluded from our exchange on this aspect that the Secretary and those with him accepted as almost inevitable the breakdown of any negotiations that might take place; it was for this reason, he thought, that the USA felt that the NATO powers should agree at once that, if a collapse of talks were followed by blockade, a complete economic embargo should be imposed (see my telegram 2641 this date).† I would not repeat not myself judge Rusk's position to be of that inflexibility although, as I have said, he and Bohlen could hardly have been more pessimistic than they were last night on the possibility of an acceptable accommodation with the USSR.

8. In an aside to me before we broke up, Bundy (who is probably the President's Chief White House Adviser in these matters) said that I would be making a serious mistake if I were to conclude from the views which had been expressed that USA were not repeat not willing or did not repeat not intend to engage in serious negotiations not repeat not only on Berlin but also on the wider problems of a German settlement and European security.

9. We shall be preparing a longer account of last evening's conversation† and will send it to you by bag. Meantime you will have the opportunity of conferring with Reid and will no repeat no doubt wish to consider at once what further Canadian views may usefully be put to USA authorities.

[A.D.P.] HEENEY

254.

DEA/50341-40

*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], August 24, 1961

GERMANY AND BERLIN

SOVIET NOTE TO THE UNITED STATES OF AUGUST 23

In a Note to the United States which was released to the press today,²³ the Soviet Union again accuses the Federal Republic of Germany of interfering illegally in the affairs of West Berlin. Specifically, the Soviet Union accuses the West German Government of sending to the city "all kinds of revanchists, extremists, saboteurs, and spies." These people are allegedly flown to West Berlin by aircraft of the three major Western powers. The Soviet Union asserts that this "represents a flagrant breach of the agreement reached in 1945 under which ... air corridors were set aside for the three Western powers, on a temporary basis, to ensure the needs of their military garrisons ..."

Comments

It has long been a Soviet policy to deny any legal relationship whatever between the Federal Republic of Germany and West Berlin. The Soviet Union contends that West Berlin is situated on the territory of the German Democratic Republic and that the three major Western powers themselves recognize that the Western sectors of the city cannot be regarded as part of the Federal Republic. The first of these allegations is groundless but the second contains some truth since the three Western occupying powers have refrained from giving complete control of West Berlin to the West German authorities so that they can maintain their legal stand that the responsibility for the whole city rests with the four occupying powers. The Soviet Union sees no inconsistency in contending that while East Berlin is part of East Germany, West Berlin is not a part of West Germany.

The allegation that the three air corridors into Berlin were established on a temporary basis to ensure the needs of the Western military garrisons is not supported by the actual agreement. There are no specific statements therein which decree that the purpose of the western flights will be or who, for that matter, the passengers will be.

Why the Soviet Union chose to raise the question of the use of Western air corridors at this time is open to at least three interpretations. It may simply be an attempt to distract attention from the prevention of westward movement across the Berlin sector border. It may be no more than an attempt to underline the interim nature of the wartime agreements and the necessity of making new arrangements after the signature of a separate GDR-USSR peace treaty. On the other hand, a more ominous reason might be a Soviet desire to see whether they could question with impunity the rights of Western access to Berlin and succeed in casting doubt upon the legality of the current use of the air corridors by the three Western allies. In other words, this Note might possibly portend an attempt to "cut another slice off the salami" in accordance with a long term policy to erode completely the Western position in the city. In any case, the move emphasizes the Soviet contention that as soon as a separate peace treaty is signed with the GDR, the three major Western powers will have to arrange for the continuance of their communications with the city with the GDR authorities.

²³ Voir/See Seymour Topping, "3 Allies Accused," *New York Times*, August 25, 1961, p. 1.

The United States has made it clear, both publicly and privately, that it will not tolerate interference with the freedom of communications with West Berlin. Hence the present move may be essentially a propaganda one assumed by the Soviet Union prior to negotiations (which it now knows will in all probability take place) to strengthen its own hand in the discussions.

H.C. GREEN

255.

DEA/50341-40

*Note de l'ambassadeur en République fédérale d'Allemagne
pour le sous-secrétaire d'Etat aux Affaires extérieures*
*Memorandum from Ambassador in Federal Republic of Germany
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], August 25, 1961

I had a talk with the Prime Minister for about half an hour this morning from 8:45 to 9:15. He had already read Arnold Heeney's telegram. I therefore thought that the best thing to do was to concentrate on the impressions I had gained of senatorial opinion from Fulbright, Mansfield and Cooper, all of whom are in favour of the formation of a united, independent, free city of Berlin with a complete or considerable United Nations presence. Fulbright, I told the Prime Minister, is worried about the inflamed state of American opinion.

2. Before I had finished my report on the Senators, the Prime Minister asked me to let him know after lunch, when he wants to see me again, my own personal advice as to whether he might develop something along the following lines in his Canadian Bar Association speech on September 1.

"Canada is firm on the necessity of defending the vital Western interests in Berlin. Canada is equally firm that there must be negotiations on Berlin in an effort to reach an accommodation with the Soviet Union. We are not one of the negotiating powers. Nevertheless, we have earned the right to express our views because of our sacrifices in two World Wars. In the first War we lost in action X men compared with the United States Y and in the Second World War we lost Z men in action."

3. The Prime Minister said he knew the objection would be made that he should not give such a speech before the German election but that he was always being told not to give speeches for some such reason and that in the event the advice turned out not to have been well based. He gave as examples his Dartmouth Speech,²⁴ his speech at the United Nations last year with its reference to the captive nations and one other speech.²⁵

4. I said that it had been going through my mind to suggest to him the possibility of a public speech but that I had assumed that this would not be given until after the German election.

5. I did not have a chance to develop my reason for believing the speech should be postponed until after September 17 but I had already put these considerations to him. The main danger of course is that if there is an indication of the sacrifices necessary from West Germany, Adenauer and Brandt will have to state firmly in public that they will have nothing whatever to do with supporting such sacrifices. After the election, they would be more reasonable. The other danger, of course, is that we do not want to give our negotiating position away to the Russians.

²⁴ Voir/See Canada, Department of External Affairs, *Statements and Speeches*, 1957, 57/30.

²⁵ Voir/See Canada, Department of External Affairs, *Statements and Speeches*, 1959-60, 60/32.

6. Another consideration is that such a speech would anger Rusk. However, when Senator Fulbright had urged me that the Canadian Government should speak its mind in public, and I had mentioned then our objections that this would anger the State Department, Fulbright said that all that would happen would be that Arnold Heeney would be reprimanded and Heeney was expendable.

7. May I see you about this after your morning meeting.

E. R[EID]

256.

DEA/50341-40

*Le secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
au secrétaire d'État aux Affaires extérieures*

*Secretary of State for Commonwealth Relations (United Kingdom)
to Secretary of State for External Affairs*

SECRET GUARD

London, August 26, 1961

My dear Howard [Green]:

1. We have been keeping your Government informed through the usual channels of developments in the Berlin situation and what our assessment is of Soviet intentions, but I thought you would like to have personally some indication of what we here are thinking on the question of negotiations with the Russians and how the West should respond to any interference with Allied access to West Berlin. These matters were considered quadripartitely at the Western Foreign Ministers' meeting in Paris earlier this month.²⁶ You will of course know of Rusk's report to the NATO Council after that meeting. Apart from paragraph 2 below, all of what follows is, as you will appreciate, extremely delicate and I should be grateful if you would restrict knowledge of it to the smallest possible number of your senior officials. The NATO Council has not been told anything about these matters.

2. The four Ministers agreed generally with an American proposal that Western policy should consist of two principal elements:

(a) an increase in the conventional strength of the Alliance, in order to provide an alternative to either acquiescence in the Soviet proposals or the inevitability of all-out war, thereby making more credible to the Russians our declared determination to defend the Allied position in Berlin, at the risk of war if necessary; and

(b) an active diplomatic programme, including negotiations with the Soviet Union, designed to provide the Soviet leadership with an alternative course of action which does not endanger vital Western interests in Berlin.

3. The meeting marked a major and entirely favourable change in American views, as compared with those of the Eisenhower Administration, on the Western response to Soviet interference with Allied access to West Berlin. Rusk said that military action in respect of access to Berlin should be regarded as the last resort. The aim should be to get Khrushchev to desist from denying our access. In the place of land operations along the autobahn, the Americans now envisage, as a first response, the mounting of an air-lift, military preparations, economic counter-measures and a general diplomatic offensive. The idea is that this would provide the Russians with the opportunity to negotiate rather than risk war. All action would

²⁶ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XIV (Washington: United States Government Printing Bureau, 1993), documents 94-101.

be designed to throw on the Russians the onus of being the first to take aggressive action and to bring home to them Western preparedness, at risk of war if need be, to defend vital Western interests, by which we mean the continued presence of Western forces in Berlin, and physical access from the Federal Republic and the world to West Berlin. This concept was generally accepted by all four Ministers; and we are particularly pleased that the Americans have now come to acknowledge the useful part which an air-lift could play.

4. We also welcome a second important change in American views, which recognizes that the West cannot give the impression of risking war over a rubber stamp. Rusk said that it would be impossible to go to war merely on a question of the substitution of East German officials for the Russians at the checkpoints. So, even if negotiations with the Russians were to fail, the crunch need not come unless the Russians and East Germans are looking for immediate trouble. The French and also the West Germans accepted this suggestion.

5. Unfortunately, no agreement was reached at the Paris meeting about the West taking the initiative in proposing negotiations with the Russians. Rusk said that, in order to demonstrate to our own and uncommitted opinion that we were sincere in our desire for negotiations, and are not merely preparing for war, we should suggest to the Russians early in September that there should be a Foreign Ministers' meeting in late October or early November. Rusk also argued that the West could retain better control over the situation by itself taking the initiative. This accords with our own thinking. The French, however, felt, as did the West Germans to a lesser extent, that this would weaken the effect of the American decision to build up its military strength. The French were thinking in terms of negotiation after Khrushchev has concluded a separate peace treaty with East Germany. The West Germans envisaged negotiations before then as a means of preventing the conclusion of such a treaty. In view of these differences, we suggested, in an endeavour to get agreement, that it might be possible to keep open the prospect of negotiations, without making too specific an offer to them, by announcing that there would be a further Western Foreign Ministers' meeting in September immediately after the West German elections at which a decision could be taken on what basis and when the West were prepared to negotiate. Since the Paris meeting, however, the situation has been complicated by the recent events in Berlin, which have increased the danger of disturbances in East Germany. These have reinforced French objections to a Western initiative, but further consideration is being given through diplomatic channels to the difficult problems of the basis and the timing of possible negotiations.

6. The Foreign Ministers also considered whether there would be advantage in early reference of the Berlin issue to the United Nations. While it was agreed that if the situation became critical it was inevitable that it should be brought to the United Nations, it was felt that it would be to our disadvantage to raise the issue now. This could only result in a demand for early negotiations, while the Western negotiating position cannot be finally prepared until after the German elections on September 17th. But it will be important that the West should take the initiative, before the Russians or some neutrals do, to ensure that we get United Nations intervention on the right lines. Otherwise, there would be grave risk of endorsement by the U.N. of a situation unacceptable to the West and condemnation of the West if it takes counter action. A fuller study of the U.N. aspect of the problem was prepared for the Foreign Ministers in Paris and will be made available to your Government through the usual channels.

7. What the Western negotiating position could be was only briefly touched on at Paris by Ministers, both because of the lack of time and because the West Germans, particularly at this stage before the German elections, are unwilling to commit themselves to new ideas. Our opening position would no doubt have to be much the same as in 1959; and we could offer some all-Berlin interim solution. But if we did engage in serious negotiations, as we must, it is clearly necessary to go further and in the talks at official level which preceded the Paris

meeting the Americans made it clear that they have thought very seriously about what the Western fall back position might be. The general tenor of their thinking seems to be that the West should attempt to preserve the existing situation in West Berlin by acquiescing in some enhancement of the position of the East German régime in return for guarantees from the Soviet Government about our access to and position in West Berlin. The Americans also appear to be giving thought to recognition of the Oder-Neisse line. These ideas of the Americans, which were only tentatively and cautiously aired, fit in well with our own thinking on this subject. As regards the attitude of the West Germans towards these matters, it seems now to be less rigid but we cannot expect to get a clear line with them until after their elections.

With best wishes,

As ever,

DUNCAN [SANDYS]

257.

DEA/50341-40

*Note de l'ambassadeur en République fédérale d'Allemagne
pour le premier ministre*

*Memorandum from Ambassador in Federal Republic of Germany
to Prime Minister*

[Ottawa], August 28, 1961

SPEECH TO THE CANADIAN BAR ASSOCIATION

I enclose, at your request, a draft speech on the Berlin crisis.† I hope that you will find this useful. I am giving copies to the Minister and to Norman Robertson.

2. It seems to me that it is very important, as I said to you last Friday, that the full final text of what you are going to say on Berlin should be in the hands of the governments principally concerned twenty-four hours in advance of delivery. This would mean, I assume, that it would have to be sent out from here Wednesday afternoon, August 30.

3. I am, as you know, worried about treading on such delicate ground before the German elections. The danger of any ill effects would be diminished if Chancellor Adenauer and Mr. Brandt had the full text in advance. Otherwise they might, in the excitement of an election campaign, start sounding off on the basis of inaccurate news agency summaries and this would make the task of securing German concurrence after the elections in a settlement on Berlin that much more difficult.

4. It is not only, of course, a question of getting the advance text of the speech in the hands of Adenauer and Brandt. There is also the desirability of other governments receiving it in advance and of its being distributed in advance to news agencies and to editorial writers who would be likely to make favourable comments on it.

5. It seems to me that the missions principally concerned are those in the NATO countries and the Warsaw Pact countries and in the Commonwealth countries. In addition, our Ambassador in Belgrade could usefully be sent the text so that he could give it to such people as Mr. Nehru, Mr. Nkrumah and Mr. Nasser when they arrive in Belgrade for the conference which opens on September 1.

6. I suggest that the missions I have listed could be instructed to devote, if necessary, the whole resources of the mission to the task of securing the utmost possible publicity for the speech in all the mass media of information, especially television news, radio and newspapers. This, of course, means giving the text out in advance. In many cases, the only effective way of

doing this, in my experience, would be for an officer of the mission to give the text personally to the key persons concerned.

7. I suggest that the head of mission should himself give the text in advance of delivery to the Foreign Minister and, if possible, to the Prime Minister. Officers of the mission should personally give copies in advance to senior officers of the Foreign Office.

8. In Washington it might be useful if it were also given in advance to such key Senators as Mansfield, Fulbright, Cooper and Humphrey, in expectation that one of them will have it printed in the Congressional Record.

9. Washington might also give it in advance to such influential and sympathetic writers as Lippman, Reston and Marquis Childs.

10. London could give it in advance to such papers as the *Times*, *Guardian*, *Observer*, *Sunday Times* and the *Economist*. Paris could give it to a corresponding group of publications.

11. Bonn might give it to the half dozen leading foreign correspondents in Bonn and the half dozen leading German correspondents in Bonn, as well as to the German press agencies.²⁷

E. R[EID]

258.

DEA/50341-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], August 29, 1961

BERLIN – THE PRIME MINISTER'S SPEECH
TO THE CANADIAN BAR ASSOCIATION

On August 28 the Prime Minister gave me further directions on this speech. He made it clear that the contribution that he was expecting from the Department was quite separate from that for which he had asked Escott Reid. He wanted a draft by today so that he could work on it.

2. The Prime Minister asked for the following:

(a) A passage from President Kennedy's speech of July 25 concerning the "international adjudication" of the Berlin problem;²⁸

(b) The text of the reference to Berlin in Mr. Hammarskjöld's latest Annual Report;²⁹

(c) The text of Article 107 of the Charter;³⁰

²⁷ Note marginale :/Marginal note:

Escott Reid draft fused with Departmental draft Aug. 29 by Ross Campbell & myself after P.M. had given approval to this arrangement. H.B. R[obinson]

²⁸ Voir/See "Radio and Television Report to the American People on the Berlin Crisis," *Public Papers of the Presidents: John F. Kennedy, 1961* (Washington: United States Government Printing Office, 1962), document 302.

²⁹ Voir/See Wilder Foote, ed., *The Servant of Peace: A Selection of the Speeches and Statements of Dag Hammarskjöld* (London: Bodley Head, 1962), p. 370.

³⁰ Voir *Recueil des Traités du Canada, 1945, n° 7*.
See *Canada Treaty Series, 1945, No. 7*.

(d) The 1945 Four Power Agreement on Berlin.³¹

3. The Prime Minister said that he was tired of being told that he should not speak out on Berlin. He had yet to hear a convincing argument against such a statement. He had spoken over the weekend with three leading newspaper editors and was all the more convinced as a result that Canadian views should be stated. He did not want to get into a situation in which, if things went badly, he could be criticized for not having put forward Canada's opinion as to what should be done in the Berlin crisis. After all, the *New York Times* was full of speeches by Senators and others giving their opinions and he was not prepared to sit in silence as if the Canadian Government had no views of its own. He was not prepared to be a tail on the United States kite.

4. The Prime Minister said that he was increasingly being asked why we should get into a war to preserve the Germans and he wanted to answer this question. He made it clear that while he would want to make clear the things that were not negotiable from the Western point of view, he also wished to discuss the points which would be open to negotiation even though in the process he might have to say something which would not be palatable to the Bonn Government. He mentioned the Oder-Neisse Line and Access Cards as illustrations but he obviously did not mean to stop at these.

5. In general, I had the impression that whereas a week ago he had placed most of the emphasis on why we should stand fast on Berlin, he now wished an approximately even balance between this and negotiation. He appears to have some interest in the relationship between the Berlin question and the United Nations and is also attracted by the idea, especially in view of the audience, of calling for a reference of the Berlin question to the International Court, presumably to demonstrate to world opinion the legal validity of the Western position.

H.B. R[OBINSON]

259.

DEA/50341-40

*Note de l'ambassadeur en République fédérale d'Allemagne
pour le premier ministre*

*Memorandum from Ambassador in Federal Republic of Germany
to Prime Minister*

CANADIAN EYES ONLY. SECRET.

[Ottawa], August 29, 1961

BERLIN AND GERMANY: CURRENT U.S. THINKING

In this memorandum I shall summarize the impressions of United States thinking which I secured as a result of my visit to Washington last week and I shall make some recommendations on action that the Canadian Government might take.

President

2. The key to the situation is of course what the President is thinking. The only clues I got came in a statement to me by Senator Fulbright that the President had lost a great deal of his self-assurance because of his mistake over Cuba, that he was now listening to too many advisers and was finding great difficulty in making up his mind; and in a statement to me by Senator Cooper that the President had said to him on August 21 something to the effect that he realized that the time would come when he would have to stand up to public opinion on the

³¹ Voir/See "Arrangements for Control of Germany by Allied Representatives," *Department of State Bulletin*, Vol. XII, No. 311 (June 10, 1945), pp. 1051-55.

Berlin question and move from the present fixed positions. Some confirmation of this was given to me by the usually well-informed columnist Marquis Childs who told me that his impression is that the President is prepared to negotiate but that he has not yet prepared the American people for negotiation.

The Secretary of State and Senior Officials

3. Mr. Heenev's telegram 2645† of August 24 summarizes the principal features of U.S. thinking as reflected in what was expressed after dinner on August 23 by Messrs. Rusk, Bohlen and Kohler of the State Department and Bundy of the White House. Mr. Heenev's main conclusion with which I entirely concur is that "notwithstanding their intention to hold early conversations with the U.S.S.R., the U.S. has no real hope of negotiations having constructive results. The Secretary and his colleagues make the lowest possible estimate of the prospects of the U.S.S.R. agreeing to any accommodation which would be satisfactory to the West ... Rusk and Bohlen could hardly have been more pessimistic than they were last night on the possibility of an acceptable accommodation with the U.S.S.R."

4. Messrs. Rusk, Bohlen and Bundy also virtually ruled out the possibility of informal exploratory talks with the Soviet Union either directly or through intermediaries. They seemed to envisage "negotiation" as consisting of a formal confrontation or a number of formal confrontations at formal conferences, when surely the essence of negotiation is that it is a long slow patient process of bargaining at which tentative ideas are exchanged in quiet exploratory talks.

5. Indeed, Mr. Rusk on two or three occasions said, using almost identical words each time, that the Soviet Union had presented proposals on Berlin which are unacceptable to us; we shall present counter-proposals which will be unacceptable to them; then we will be faced with the problem of what we shall do if the Soviet Union interferes with the access routes. No doubt seeing our concern because of this statement, Mr. Rusk the last time he used the formula qualified it by saying that this was the worst which might happen.

6. Mr. Rusk and the others showed no concern over the fact that there has so far been no negotiation among the four Western powers principally concerned over the substance of the Berlin and German problems. Hitherto the meetings of the three Western Ambassadors in Washington at the State Department have been concerned entirely with questions of tactics or of sanctions. Moreover, as the British Ambassador pointed out to us, the fact that there are a dozen or more people present at these meetings means that they cannot be used to discuss the delicate problems involved in establishing a Western negotiating position and Western fall-back positions.

Senatorial Opinion

7. In my memorandum of August 25,† I summarized the views expressed to me by Senators Cooper and Fulbright. They are about as "flexible" in their approach to negotiations as it would be possible to be. I gather that they in general support the suggestion of Senator Mansfield that the best way out of our difficulties might be the creation of a united city state of the whole of Berlin; that the sovereignty of this state might be transferred from the four occupying powers to an international agency, probably the U.N.; and that the access routes might be garrisoned by what Senator Mansfield calls "international peace teams." Senator Fulbright told me that he would be in favour of transferring the Headquarters of the United Nations to Berlin from New York. He is prepared to pay the Soviet Union the price of agreeing to the Oder-Neisse Line, to *de facto* recognition of East Germany and to the abolition of the occupation status of Berlin.

8. I assume that these Senators are in advance of the opinions of most of their colleagues. I gather that they intend judiciously to try to bring their colleagues along and that they also expect to influence the President's thinking.

Public Opinion

9. Mr. Heeney in his telegram 2646 of August 24[†] has summarized recent trends in the reaction of the United States public to the Berlin crisis. He concludes that "while the trend in the press and in Congress has been to give increased emphasis to the need for negotiation, there has been no clear exposition of what Western concessions might be offered in negotiations." Senator Cooper put part of this point to me when he said, presumably speaking both of Congress and of public opinion, that the word "negotiation" was no longer a dirty word as it had been up to about a month ago.

The Working Level of the State Department

10. In the Policy Planning Division of the State Department five or six officers have been engaged, for the past three months, in working out ideas on the substance of a possible accommodation on the Berlin problem. These officers are clearly considering all possible negotiating positions and fall-back positions. They have been consulting a number of persons with special expert knowledge on Germany and the Soviet Union such as George Kennan, David Bruce (former U.S. Ambassador in Bonn and now Ambassador to London) and McCloy. The general view of those who have been consulted is that Khrushchev's aim in precipitating a crisis over Berlin is to try to stabilize the Soviet Empire in Eastern Europe by securing *de jure* recognition for frontiers and by enhancing as much as possible the status of East Germany. The officer of the Policy Planning Division with whom I talked went on to say that as a result of this assessment of Khrushchev's motives a "lot of people" were thinking about what the U.S. might contribute to the stabilization of Eastern Europe since while it could not be stated publicly it was common sense that the stability of Eastern Europe was in the long-range interests of the West. He went on to say that the Policy Planning Division had been thinking about ideas similar to those which I had put forward to him as my personal views. He agreed that one could not rule out the possibility of the Soviet Union agreeing to a united Berlin and confirmed my recollection that there had been hints early in 1959 from the Soviet Union that it might accept an all-Berlin solution. He went on to say that they had also been thinking of the possibility of moving the U.N. Headquarters, or at least the European Office of the U.N., to Berlin. He thought that recognition of the Oder-Neisse Line should occasion little difficulty and would help stabilize Eastern Europe. Granting the substance of recognition to East Germany would be another stabilizing factor. It might also be desirable to agree to the establishment of an all-German Committee which would stimulate contact between East and West Germany. Finally the U.S. might, as part of a settlement on Berlin, or following a settlement on Berlin, give economic help to East Germany.

11. He expected that the Soviet Union in the forthcoming discussions would raise the question of European security and might propose some limitation on the possession by Germany of the means of delivery of nuclear weapons and perhaps a thinning out of forces. This would raise questions of zones and of inspection. He was interested in my comment that Germany already constituted a special zone of inspection because of the recognized quasi espionage activities of the Western and Soviet Military Missions. He said that at the moment the State Department's thinking was that questions of limitation of armaments and inspection zones should not be dealt with in the negotiations on Berlin but simultaneously in a separate form, such as the general disarmament negotiations.

Recommendations

12. It seems to me clear that no final decision has been made in Washington and that the President is being subjected to conflicting advice. In such circumstances it is possible for a country such as Canada to exercise considerable influence by strengthening the hands of those in Washington with whose views it is in general agreement. The possibility of our exercising influence is greater the sooner we present our views. I therefore recommend that we should, as soon as possible, give to the authorities in Washington a carefully reasoned exposition of our views on the questions of substance which will arise in negotiations with the Soviet Union. Perhaps these views could be put as the tentative and provisional views of the Canadian Government.

13. I suggest that this statement of our views should also be given to Mr. Macmillan and Lord Home, to Mr. Lange of Norway, Mr. Spaak of Belgium and possibly Mr. Fanfani of Italy.

14. I was told by a senior official in the German Foreign Office a month ago that Mr. Lange is about the only European statesman in whom Dr. Adenauer has confidence. Because of this and because of the reputation he has in Washington we might discreetly encourage Mr. Lange to make a visit to Washington as soon as possible for quiet informal exploratory talks with the President and the Secretary of State. It may be – though I am not certain about this – that a visit by Mr. Spaak to Washington would also be useful.

E. R[EID]

260.

DEA/50346-2-40

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

TELEGRAM 2706

Washington, August 30, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 2702 Aug 30.†

Repeat for Information: London, Paris, NATO Paris, Permis New York (OpImmediate), Bonn (OpImmediate) from Ottawa.

By Bag Moscow from London.

BERLIN AND GERMANY: THE WESTERN FOUR

From what Caccia told me this morning (my reference telegram) and from what I have learned from USA sources (my telegram 2645 August 24 refers), it has now as I have reported earlier, become painfully clear that the division in the Western camp on negotiating with USSR is both wide and deep. In fact USA, at the highest levels, have reached a stage of exasperation with President de Gaulle and his representatives which is in itself serious in terms of the whole alliance. The President and the Secretary of State, I judge feel that they have done all that they can in private and by their restrained but unambiguous public position to persuade the General of the necessity for negotiating, while at the same time standing firm on Western vital interests; despite their efforts however, there has been no repeat no essential change in the inflexible and, in USA view, dangerous position of de Gaulle.

2. The agreement reached yesterday afternoon, for the four Western foreign ministers to meet in Washington, for the North Atlantic Council meeting and with respect to any public statement on possible negotiations, is regarded here as marking very little progress even on procedure, in reconciling the French attitude with that of USA and Britain. The meeting of

September 14 may range wider but USA and UK expect French to try to limit it severely to procedure (incidentally USA wanted to have it earlier, September 8, but French would not repeat not agree). At the North Atlantic Council meeting tomorrow USA representative will be making a pretty full report on the Four Power consultations but he will, I gather, go further and make it quite plain that USA intend (with UK support) to have negotiations with the USSR over Berlin whether or not repeat not there is French consent and participation with regard to the public statement on negotiations. If Gromyko is going to New York, USA intend to suggest that Rusk will discuss with him “outstanding questions,” i.e. going beyond Berlin and Germany and taking in other areas of tension, including the Nuclear Test Ban Conference. Of course, any such public statement will have to be attuned to the response in Moscow to USA approach there.

3. USA position, as Caccia described it to me this morning is that they “will negotiate period.” The position of President de Gaulle, on the other hand, is that he is quite opposed to any negotiations; if France’s allies decide to go ahead notwithstanding French opposition, he has made it clear that France will remain totally uncommitted (even on any procedure that may be agreed and that there must be no repeat no substantive talks with Soviet Foreign Minister until the Western three (or four) have agreed on the substance of a Western position. In such circumstances it has been quite impossible for the Americans and British to discuss with French the nature of any possible accommodation with USSR or even the elements of an allied negotiating position.

4. USA authorities are naturally pretty depressed about the French attitude. They are tending now to put together French policy regarding the UN and their coolness toward NATO and relate these examples of French intransigence to the current attitude of the French in meetings with the other three Western powers over Germany. Nevertheless USA continue to hope against hope that General de Gaulle may be persuaded to adopt a more reasonable position. In this connection it has occurred to me that our own attitude with regard to negotiations might be put to French Government to de Gaulle himself. UK Government’s position is well known (as indeed is ours on the public record and in NATO) but the British are somewhat inhibited by the present stage of their relations with the European Economic Community and the Americans have done all they can. Perhaps in these circumstances a Canadian initiative in Paris might be of some help; at any rate, I think it would be appreciated by USA and UK and by other like-minded members of the alliance.

5. This telegram is marked “Canadian Eyes Only.” It is being sent to my colleagues in the missions immediately involved. I very much hope that all will make a special effort to guard its contents in particular in conversation with USA officials.

[A.D.P.] HEENEY

261.

DEA/50341-40

Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures
Memorandum by Special Assistant, Office of Secretary of State for External Affairs

[Ottawa, September 1, 1961]

At [Norman Robertson’s] suggestion, Arnold Heeneey looked over this draft telegram (S-367 August 30).† His view was that it should not be sent at this time because it contained too detailed a negotiating position for a middle power such as Canada to put forward (since the main responsibility rests on the 3 Occupying Powers, and no other NATO power has proffered a detailed plan for a settlement). He also thought the timing was wrong in the light of

- (a) Khrushchev's latest moves on nuclear testing³² & renewed pressure on Berlin access
- (b) French refusal to agree to negotiations (USA, he says, is "fed up" with France).

Heeney believes any Canadian proposal now should confine itself to urging the early opening of negotiations on the basis of

- (a) recognition of the Oder-Neisse line
- (b) *de facto* recognition of East Germany
- (c) agreement to a completely new statute, registered with the UN, as the basis for Western presence in Berlin, in place of occupation rights.

[ROSS CAMPBELL]

262.

DEA/50341-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

[Ottawa], September 1, 1961

CALL ON SECRETARY OF STATE FOR EXTERNAL AFFAIRS
BY U.S.A. AMBASSADOR, AUGUST 31

Mr. Livingston Merchant called on the Secretary of State for External Affairs on Thursday, August 31, on instructions from the Secretary of State, Mr. Dean Rusk. Although the main purpose of his visit was to express Mr. Rusk's hope that when the NATO Council met on September 4 the Canadian Government would be able to indicate what action they would be prepared to take under the terms of the Secretary-General's resolution to increase the military preparedness of the Canadian armed forces, the discussion also covered the Soviet announcement about resuming nuclear tests and the Berlin situation.

2. Mr. Merchant said that the reason for hoping that Canada would be able to meet the September 4 target date for reporting its state of military preparedness was not in any way due to doubts or reservations about the effectiveness of Canada's contribution to NATO. Norstad had in fact told U.S. representatives that in his judgment Canada had lived up to MC-70 goals more than any other member of the alliance except the United States. It was desirable, however, that there should be a show of solidarity by NATO members in the matter of military preparedness. It was particularly desirable that Canada should give an affirmative response to the Secretary-General's request for such a report in view of the modest recommendations, mainly of a logistic nature, put forward by Norstad in regard to Canada's contribution.

3. The Minister doubted whether it would be possible for any detailed statement to be put forward by the Canadian representative to the NATO Council on September 4 since Cabinet had not concluded its discussions of the matter and would not next be meeting until September 6. However, he could say in confidence that it was contemplated to bring Canada's forces committed to NATO up to war strength including the despatch of some 1100 men to the brigade. Mr. Robertson also recalled that arrangements had been made not to rotate the Italians in the brigade so that the brigade could be kept at maximum efficiency. The Minister said that this also was related to the desirability of not bringing more dependents over to Europe. It was agreed that the Minister would consult the Prime Minister as to what report could be made by the Canadian representative to the NATO Council on September 4.

³² Voir/See document 115.

Soviet Announcement about Resuming Tests

4. Merchant said that in his judgment the purpose of the announcement was intimidation, especially directed against the uncommitted countries whose leaders were meeting in Belgrade. The reaction of the United States was that Khrushchev probably made a great mistake and that the decision would backfire. There was a sense of relief that Khrushchev had assumed responsibility and therefore taken the blame for resuming tests. If the United States were to resume tests, it would be limited to underground tests. The U.S. Government was more likely to wait until the implications of the Soviet tests had an opportunity to sink in and, therefore, to reap the benefits of Moscow's bad judgment. Coupled with the sealing off of East Berlin with a wall in the centre of the city, this showed a distinct toughening of the Soviet attitude.

Belgrade Conference

5. The Minister asked Merchant whether, as a result of the Soviet announcement, Mr. Nehru might cancel his trip to Moscow. Merchant thought that, on the contrary, Mr. Nehru might be more anxious to go as he might be very upset by this development and the signs of toughening of Soviet policy.

Disarmament

6. The Minister said that the United States had shown great patience in exploring the possibilities of agreement on disarmament as well as on nuclear tests. He asked Mr. Merchant what effect he thought the Soviet announcement would have on the handling of disarmament matters as they had been agreed among the five Western powers and in NATO consultations. Merchant thought there would be no direct effect even though the Soviet announcement would not put an end to the efforts to conduct bilateral discussions with the Russians nor to putting the U.S.A. plan before the UNGA. He said that the plan was the best that had been put together in the post war world. Mr. Robertson said it was important that the Western powers maintain a readiness to negotiate on this as well as on other matters affecting the peace of the world. The Soviet statement about resuming the tests represented a threat to humanity as had been recognized in the President's statement released earlier that day. He observed that the French attitude towards negotiations with the Russians would strengthen the Russian position. Khrushchev had used the French nuclear tests as an excuse for resuming Soviet testing. Merchant was not hopeful about any change in the French attitude.

Chinese Representation

7. Merchant said that members of the U.S. Embassy staff had had useful talks on problems which would be coming up before the UNGA session with Mr. Glazebrook and Mr. Ignatieff. He expressed the hope that there would be agreement on the Chinese representation issue. The Minister said that Cabinet had not yet made a decision on the handling of the Chinese representation issue at the forthcoming session. He thought that the U.S. proposals about insisting on the matter being treated as a substantive issue requiring two-thirds majority and the setting up of a sub-committee was a good idea.

Berlin

8. The Minister asked Merchant's reaction to possible areas of negotiability in the Western position. For instance, he asked whether the West might not offer *de facto* recognition to East Germany. Merchant replied that it depended on how one defined "*de facto*". He thought there would be no objection on the U.S.A. side in dealings with East German officials insofar as the latter took over the functions previously performed by Soviet officials in the event that the Soviet Government signed the treaty with East Berlin. The U.S.A. would not agree to anything that might imply *de jure* recognition. He doubted, moreover, whether either Khrushchev or Ulbricht were really interested in only *de facto* dealings rather than *de jure* recognition.

9. The Minister asked whether it might not be desirable to offer recognition of the Oder-Neisse line as the French had done. Merchant said that it had been a matter of principle with the U.S.A. not to modify their stand on the Oder-Neisse line on moral as well as practical grounds unless such a modification were accepted and confirmed by a freely elected German Government. Mr. Robertson recalled that with the prospect of German reunification becoming increasingly remote, the matter might be considered more in terms of stiffening Polish resistance to Soviet pressures and in consolidating the position of the Church. After all, the recognition of the boundary would hardly be a gain for Russia. Leaving the Oder-Neisse line unsettled indefinitely seemed to be only adding a significant element of instability in the European scene. Merchant doubted whether the USA would regard the Oder-Neisse line as negotiable. He thought that the area of negotiation would in fact be limited to those narrow issues in the Western negotiation which had been incorporated earlier in East-West negotiations on Berlin at Geneva, such as the modification of military forces, reciprocal restraints on propaganda and covert activities that might endanger the peace, reduction of direct strength and the exclusion of nuclear weapons from Berlin. In explanation of these views, Merchant said that before the splitting of Berlin by a wall to stop the flow of refugees, it might be easier to consider widening the areas of negotiation. It must be realized that the Russians and East Germans have achieved at least part of what might have been negotiable the hard way by stopping the flow of refugees and splitting Berlin. It now seemed necessary to face the hard fact that the Soviets wanted the Western powers out of Berlin either in stages or directly. Such an objective is not negotiable.

Morale Effects in Berlin

10. The Minister asked what the effects of this Soviet pressure might be on West Berlin. Merchant said that the U.S.A. Government was concerned about it but so far there was no evidence of any significant impairment of morale. The U.S.A. authorities were watching such signs of declining morale as sales of real estate, transfer of accounts, running down of inventories, etc. So far, the chief measures taken to boost morale had been the reinforcement of the USA garrison, the Johnson mission³³ and the appointment of General Clay. Asked whether the USA would favour U.N. presence in Berlin, Merchant said this would not be any substitute for USA troops in present circumstances.

11. The talk ended with reference to the situation in Brazil, on which nothing particularly significant was said.

263.

DEA/50341-40

*Le secrétaire d'État aux Affaires extérieures
au secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)*

*Secretary of State for External Affairs
to Secretary of State for Commonwealth Relations (United Kingdom)*

SECRET. GUARD.

Ottawa, September 2, 1961

My dear Duncan [Sandys],

Thank you indeed for your thoughtful and most stimulating letter of August [26]. As you suggested, circulation has been restricted to very few persons here on a need to know basis.

³³ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XIV (Washington: United States Government Printing Bureau, 1993), documents 94-101.

We are in full agreement with what you have done so far and with your tentative views as to what remains to be undertaken.

I am particularly worried that the French have been dragging their feet so conspicuously as to negotiations. A few days ago I instructed our Ambassador in Paris to appeal to General de Gaulle for a measure of flexibility. My own impression is that Khrushchev is keen to engage in negotiations and that we would be wise to obtain something in return for the various steps which he is now taking unilaterally while we are hesitating. If we wait too long, there will not be very much left for us to offer; he will have taken most of what he wants in the interval, to induce us to come to the conference table. It is, therefore, our hope here that you will continue to press the other Western Foreign Ministers to arrive at early and positive decisions as to these urgently needed negotiations. There would be particular advantage in being in a position to announce now that they will be taking place sometime this fall.

On the substance of the Western negotiating position, our thoughts seem to have developed along parallel lines. I hope to let you have shortly some suggestions which we have developed here in the expectation that they might stimulate an exchange of views on possible solutions concerning Berlin. Like you, we think that there should be an initial bargaining position, possibly involving the whole of Berlin and then, a hard fall-back proposal for West Berlin alone. The real question here is how far the West Germans may be willing to go. I am inclined to think that after the elections and, as a result of recent developments in Berlin, they may be more flexible than heretofore. It will be important, however, in any settlement that may be worked out, to carry the Germans and perhaps to allow them to play a key role, particularly in regard to presentation, if the final solution is not to be presented in terms of a betrayal on the part of their partners.

The timetable is very short. Between now and the German elections it seems to us that it might be wise to make some tentative suggestions in Washington and to encourage progress in the shaping up of agreed proposals which could later be discussed with the Germans. The matter, as you pointed out, is most delicate and we could perhaps revert to it when you have had an opportunity to consider what we have in mind.

It may well be that ultimately the whole German problem will have to be discussed in the United Nations. I fear that we may not be able to retain the initiative unless we can persuade the neutral countries in particular that we are earnest in the matter of reaching some accommodation with the Soviet bloc.

In all this, I feel that your great experience and flexibility in approach can be of the utmost importance for the Western cause. I do hope that you will not let your preoccupations with other weighty problems unduly hinder your freedom of manoeuvre and that you will continue to press for early and serious discussions with the Soviet bloc. I am convinced that time is not working in our favour. The sooner we can deal with the situation, in specific terms, before Khrushchev makes many more moves, the more likely we may be to reduce tension and to find an acceptable solution.

Yours ever,

[HOWARD GREEN]

264.

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. 344-61

Ottawa, September 6, 1961

SECRET

BERLIN: PROPOSED ECONOMIC COUNTER-MEASURES

At the suggestion of the Foreign Ministers of the United States, United Kingdom, France and Germany, the NATO Council is now examining a proposal that member governments should take the necessary administrative and legislative action immediately to enable them to carry out without delay concerted economic counter-measures against the Soviet bloc in the event that access to West Berlin is blocked. These measures are designed to form part of a broad range of contingency planning and are regarded by the Four Powers as one feature of a comprehensive allied policy for meeting the threat to West Berlin. (The appendix to this Memorandum sets out in detail this proposal and analyzes the implications of economic sanctions for Canada and their probable effect on the Soviet bloc.) These measures are intended to apply to the Soviet bloc only and not to China or the Asian satellites, although according to reports from Washington, an extension to the latter group of countries might be considered at a later date.

2. The objective of the proposal now before NATO would appear to be two-fold: it would represent an act of determination by the West which would demonstrate the depth of Western resolution and might act as a deterrent to the Soviet bloc if it contemplated denying access to Berlin; it would also mean that all member governments in the Alliance would be in a position to act quickly to impose an immediate economic embargo on the Soviet Union if access to Berlin were blocked (and the threat of war were imminent).

3. If economic measures were to be considered as part of an effective deterrent they would probably have to be made public. In Canada, if enabling legislation were required, it certainly could not be enacted without a public debate. There is a risk that a public debate throughout the countries of the Alliance could to some extent undermine the sense of resolution and determination which the West is anxious to achieve. A judgment would have to be made about the possible reaction of the Canadian people if special enabling legislation were sought at this stage.

4. With respect to the second objective, i.e., of being prepared to take economic action immediately in the face of blocked access, it should be pointed out that while some of the measures could be carried out under existing authority others would require the invocation of the War Measures Act. This represents, however, a significant political act. It may be that it would be desirable to enact other enabling legislation which would permit the Government to take action without going as far as invoking the War Measures Act. This might be particularly true if the blockade of Berlin were paralleled by negotiations in the United Nations or elsewhere. Under such circumstances it might be inappropriate to invoke the War Measures Act, although it might be considered that our negotiating position would be strengthened through the imposition of an economic blockade, particularly if these sanctions had been announced earlier as one of the first steps in a Western response to a blockade. Open unwillingness within the North Atlantic Alliance to agree on a policy of developing economic counter-measures to Soviet pressure on Berlin as part of a range of Western reactions could

leave some questions in Soviet minds about NATO's determination. Moreover, failure to take economic counter-measures in the event of the blockade of Berlin would leave direct military action as the only other effective response to Soviet moves.

5. From the attached analysis it is apparent that the effects on the Soviet bloc of a total economic embargo by NATO countries cannot be easily determined. Some of their economic activity and operations would clearly be disrupted; the effects of other measures may be limited and would have to be balanced against the economic price to be paid by the members of the Western Alliance.

6. A number of NATO countries would be hurt as much if not more than the countries in the Soviet bloc. This is particularly true of the peripheral states such as Greece, Turkey and Iceland which are not in a position to undergo economic hardship unless compensatory steps were taken by the bigger NATO powers.

7. There would be some economic hardship involved for Canada, particularly if the embargo were extended to China. However, this is a price that we should be prepared to pay if there is any expectation that economic sanctions together with other military and diplomatic moves would be effective or strengthen the West's position with respect to any future negotiations. This is not clear at this time. The imposition of a blockade short of war thus raises important domestic political implications for Canada.

8. The risk of a divisive effect within the Alliance arising from the unwillingness of some of the smaller countries to accept the implications of an economic embargo would have to be balanced against the divisive effect of the failure of NATO generally to respond to proposals put forward by the Big Four. On balance, it would seem that the smaller powers are likely to be on good ground in questioning a decision which hurts them far more than the major powers.

9. It should be noted that if economic counter-measures were to be effective, some arrangements would have to be made with respect to trade and transactions through neutral third countries. This could shift some of the damaging effect to the neutrals and weaken the standing of the West with those countries.³⁴

10. It is desirable, to avoid, if possible, an issue in NATO with the Big Four on this matter. It is in Canadian interests to work out procedures that will not give rise to a sense of frustration on the part of the Big Four, and the United States in particular, or which would throw into question Canada's willingness to play its full part in the Alliance.

11. In these circumstances it seems that the Canadian Government should give an undertaking in NATO that if the situation deteriorates to the point where access to Berlin is closed, we would join in a full economic blockade of the Soviet Bloc. There would, however, need to be a collective and agreed judgment by NATO that such a situation had been created. Whether Ministers wish to examine legislative action at this stage in anticipation, or whether reliance is to be placed on the immediate invocation of the War Measures Act is a judgment which might be better taken after a more careful study of the legal and constitutional implications.³⁵

12. While it would be desirable to agree to envisage economic counter-measures in a situation where the access to Berlin were blocked (and when the use of military force might appear to be the only other response open to the West) it would not be desirable at this time to agree to apply such sanctions gradually in advance of access actually being denied. The

³⁴ Note marginale :/Marginal note:
Not necessary. [Auteur inconnu/Author unknown]

³⁵ Note marginale :/Marginal note:
What about action first & retroactive legislation. [Auteur inconnu/Author unknown]

“escalated” application of economic sanctions prompted by acts of harassment by East Germany or the Soviet Bloc could lead to increasing retaliation by the Communists and precipitate a cut-off of access to Berlin before negotiations can be initiated, thus increasing the possibility of military conflict, which could lead to full-scale nuclear war.

13. Economic sanctions now would not be warranted. Their application by the Alliance on a graduated scale prior to the blockade of Berlin should be opposed. However, if the access to Berlin is blocked, then Canada should be prepared to join the rest of the NATO allies in considering economic sanctions as part of a series of measures against the Soviet Bloc, short of military force. The deterrent effect of seeking enabling legislation now and announcing the intention to use economic sanctions in certain circumstances must be measured against the possibility that public reaction throughout the Alliance might throw into question the ability of the West to take effective and determined action in the face of a crisis.

Recommendations:

14. It is recommended that instructions should be prepared for the use of our representatives at discussions in NATO, based on the considerations set out above; it should be emphasized that:

(i) we agree that a determined and resolute stand is required by NATO and that we are taking steps to contribute to the military build-up;

(ii) we feel that economic counter-measures should not be applied by NATO unless the corridor is closed by the Communists;

(iii) we have grave doubts about the use of sanctions on a graduated scale. This could force retaliation and precipitate a situation where the access to Berlin would be cut off;

(iv) we appreciate that the Big Four are requesting other NATO countries simply to take the necessary steps now to be in a position to enforce sanctions later if access is cut off. This in itself, however, would require public debate and considerable mobilization of public opinion. Such a debate involves risks in Canada and probably to a greater degree in some other NATO countries;

(v) our hesitation does *not* stem from narrowly interpreted commercial interest. But we would feel justified in paying the price and taking the risks involved only if we were satisfied that such measures could be an effective deterrent and would contribute to strengthening the overall position of the West;

(vi) economic sanctions will hurt the smaller powers more than the major ones. This could have a divisive effect in the Alliance unless some form of burden-sharing could be realistically envisaged;

(vii) if military or civil access is cut off the Canadian Government would give consideration to taking steps immediately to join in a total economic embargo of the Soviet Bloc, if such a step, or its threat, is helpful to our common cause;

(viii) Canada has serious legal and constitutional problems (with important political implications) that are being studied as a matter of urgency.

H.C. GREEN

[PIÈCE JOINTE/ENCLOSURE]

Annexe

Annex

SECRET

BERLIN: PROPOSED ECONOMIC COUNTER-MEASURES

Background

On August 8 United States Secretary of State Rusk reported to the NATO Council that the Foreign Ministers of the United States, United Kingdom, France and Germany had agreed that NATO governments should be asked to take, as part of a broad range of contingency planning in the military and non-military fields, the necessary steps to enable them to carry out, without delay, concerted economic counter-measures against the Soviet Bloc in the event that military and civilian access, air or ground, to West Berlin was blocked.

2. The following measures were proposed:

(a) The prohibition of the use of all the financial facilities of NATO countries to carry on current transactions with the USSR, the Soviet Zone of Germany, the other Soviet Bloc members and their nationals.

(b) The expulsion of all Soviet Bloc technical experts and foreign trade officials without diplomatic immunity from the NATO countries.

(c) The freezing of all assets of the members of the Soviet Bloc under jurisdiction of the NATO powers.

(d) Termination of trade agreements involving Soviet Bloc countries.

(e) The denial of all exports to Soviet Bloc countries.

(f) The stoppage of all imports from Soviet Bloc countries to NATO countries.

(g) The closure of NATO ports to Soviet Bloc shipping and planes and to craft under Soviet Bloc charter.

(h) The prevention of aircraft of Soviet Bloc countries from making transit overflight and technical stops.

(i) The prohibition of calling at Soviet Bloc ports of vessels and planes of the NATO countries.

3. On August 18 the Canadian Ambassador in Washington, on the instructions of Cabinet, expressed to the State Department the Canadian Government's view that retaliatory measures should not be taken to counter East German moves to restrict access from East Germany and East Berlin to West Germany and West Berlin. If military and civilian access between West Germany and West Berlin were to be cut off, economic sanctions would have to be considered, but they should not be used without adequate consultation and preparation.

4. Following a discussion in the NATO Council, where a number of countries raised several problems that required careful consideration before agreement could be reached on the Big Four proposals, a working group was established in Paris to consider the economic and political implications of a complete embargo against the Soviet Bloc and of specific counter-measures which might be appropriate to face various economic contingencies, bearing in mind the adverse effects of these measures on individual NATO countries. Canada is a member of this working group which is to report back within a month, at the latest.

5. The working group held its first meeting on August 25 and three main points emerged at this meeting. There was a consensus that for the time being economic sanctions should be

contemplated against the USSR and its European satellites only and that there should be no new restrictions on trade with China and its Asian satellites. (However, the United States authorities are reported to consider that these sanctions might be applied at a later stage to the whole Sino-Soviet Bloc.) General doubts were expressed in the working group about the long-term effectiveness of the proposed economic counter-measures. The working group also generally recognized that a number of NATO countries would be seriously affected by a trade embargo and have difficulties in implementing the proposed counter-measures.

Implications for Canada

6. An examination of the significance of the proposed measures for Canada has indicated that considerable economic interests would be affected by some of them, in particular those relating to finance and trade.

7. We understand that several Canadian banks provide financial facilities to the Soviet Bloc. The order of magnitude of the transactions concerned is not known, but is probably quite significant. It should also be noted that outstanding Canadian credits to the Soviet Bloc amount to \$113.7 million (Czechoslovakia \$21.7 million, Poland \$42 million and China \$50 million). Service of these Soviet Bloc debts would most likely cease once a total embargo had been enforced, and they may possibly have to be written off.

8. The number of Soviet technical experts and foreign trade officials without diplomatic immunity in Canada which would be affected by measures of expulsion is not significant; apart from a few Czech trade officials in Montreal, most are not staying beyond a limited period of time (e.g. for trade fairs).

9. With regard to freezing Soviet Bloc assets in NATO countries, there is no readily available information on Soviet Bloc investment in Canada. Some may have been made through Swiss banks. They are, however, unlikely to be substantial.

10. Total Canadian exports to the Soviet Bloc (excluding China) were valued at \$35.4 million in 1960. The value of imports from the Bloc was \$13 million over the same period. Canada has Trade Agreements in force with Czechoslovakia and Poland, which can be terminated at three months' notice, and with the USSR, which expires in 1963. The latter contains a clause authorizing the suspension of its provisions on security grounds. However, the termination of these agreements or the suspension of the provisions of the agreement with the USSR would be a serious step. If the proposed trade embargo were extended to China, more substantial commercial interests would be at stake. Our exports to and imports from China were valued at \$8.7 million and \$5.6 million respectively in 1960; but our export trade is expected to increase considerably, mainly as the result of Canadian wheat sales to China. It is estimated that the value of these sales in 1961 will be of the order of \$130 million. (A trade agreement with China was signed in 1946 and in principle continues to apply to the mainland.)

11. In a situation where a complete trade embargo were imposed on Soviet Bloc trade, watering and refuelling and repairs would be the main operations affected by the closure of Canadian ports to Soviet Bloc shipping and planes. These facilities are provided at East and West coast ports for Soviet trawlers and research vessels. In 1961 there have so far been 89 visits of this kind.

12. Canada has no bilateral air agreement with any Soviet Bloc country and special permission is now required for overflight and technical stops by all Soviet Bloc aircraft, except Czech and Polish aircraft. Czechoslovakia and Poland are members of ICAO and signatory to the Air Transit Agreement. By denying them transit overflights and technical stops Canada would probably be acting outside the scope of the Agreement.

13. While some of the proposed measures could be carried out by Canada through administrative action or on the authority of existing legislation, others would necessitate the enactment of new legislation or the proclamation of the War Measures Act.

Implications for other NATO Countries

14. Within NATO itself some countries may be hurt as much as the Soviet Bloc. This is particularly true of the peripheral states such as Greece, Iceland and Turkey, which have an important stake in trade with the Bloc and are not in a position to undergo economic hardship unless compensatory steps are taken by the bigger NATO powers.

Probable Impact on the Soviet Bloc

15. The impact on the Soviet Bloc of a total economic embargo by NATO countries cannot be easily ascertained, although it is almost certain to be short term. The effect would be felt most in East Germany, but would be unlikely to continue to be significant after a period of six months. Some of the Bloc's operations abroad would clearly be disrupted; the effects of other measures may be limited and would have to be balanced against the economic price to be paid by the members of the Western Alliance.

16. If financial facilities in the NATO countries were to be denied to the Bloc, the effect of this measure would be felt on Bloc relations not only with NATO countries but also with the rest of the world. Most Bloc trade with under-developed countries is bilaterally balanced and the difficulties created by this measure could probably be surmounted. However, some important commodities, such as rubber from Malaya, are paid for in sterling or other convertible currencies; the loss of financing facilities in the NATO area would be a serious blow to this trade. If the embargo were to be applied to Communist China, the value of Hong Kong as an entrepot for trade with the West and as China's main source of foreign exchange would be lost.

17. The expulsion of non-diplomatic experts and trade officials would be of significance mainly to East Germany, which has established a number of trade offices abroad largely as a substitute for diplomatic establishment.

18. The freezing of Soviet Bloc assets would no doubt affect funds of considerable magnitude. (Bloc trade with NATO countries averaged \$330 million a month in 1960.) However, they should be balanced against outstanding credits granted by NATO countries to the Soviet Bloc excluding China, which stood at \$468 million at the beginning of this year.

19. Generally speaking, foreign trade makes such a small contribution to Bloc national incomes that the loss of imports from NATO would not cause any major economic crisis in Communist countries. There would be delays, shortages and setbacks in some sectors, but the resources of the Bloc and its independence of non-communist supplies are such that these problems would at the most be a serious inconvenience; they could in part be offset by domestic readjustments and a greater dependence on sources outside NATO. However, the saving in research and development costs, which results from the purchase of advanced western capital equipment, would no longer be available and this would perhaps be one of the most important economic consequences of the embargo.

20. The prevention of transit overflight and technical stops would create serious problems for the Bloc in rerouting flights to Africa and the Western Hemisphere. Restrictions on shipping would have a serious effect on intra-Bloc (particularly Chinese) trade and on Bloc trade with countries such as Cuba, in view of the Bloc's dependence on western ocean shipping for about two-thirds of its foreign trade.

21. The effects of some of the proposed measures would not be limited to the Bloc's economic relations with NATO countries, but extend to its relations with under-developed or neutral countries. The reactions of these countries would have to be taken into account by

members of the Alliance. Restrictions on economic relations with these countries or means of securing their cooperation may have to be considered in order to make an embargo against the Soviet Bloc fully effective.

22. None of the possible actions considered in this paper would have any effect on the type or number of weapons in the hands of Soviet Bloc forces or on the ability of Soviet Bloc defence industry to support them.

23. There are also a number of steps which the Soviet Bloc could take to offset at least in part the economic effects of the proposed measures, such as the reorganization and closer coordination of intra-Bloc trade, the readjustment of domestic economic plans, the expansion of arrangements for trading in roubles and the use of third-country agents to obtain essential commodities from NATO countries. These steps would not entirely eliminate the inconvenience to the Soviet Bloc of a NATO embargo, but they would substantially modify its effectiveness. They would, incidentally, lead to closer coordination of the economies of Bloc countries.

265.

DEA/50341-40

*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], September 9, 1961

CANADIAN SUGGESTIONS AS TO A NEGOTIATED BERLIN SETTLEMENT

I had an opportunity to discuss this matter yesterday in Washington with the Ambassador and Mr. Rae.

2. *Timing*

Both feel that if we wish to make any suggestions, we should try to do so next week, before the meeting of the Western Foreign Ministers.

3. *Presentation*

Mr. Heeney felt that we should

(a) acknowledge that as a result of what Khrushchev has said and done recently, negotiations have become more difficult

(b) argue that they are now as urgently required as ever.

4. *Substance*

Mr. Heeney agrees with the essential features of our suggested deal:

(a) a new statute for West Berlin

(b) recognition of the Oder-Neisse line

(c) *de facto* recognition of East Germany.

5. *Initial and Interim Proposals*

I agreed with Mr. Heeney that any proposals involving the whole of Berlin were unlikely to succeed and to have more than propaganda value.

Mr. Heeney recognized these two points

(a) if we are asked to indicate what we have in mind we should be able to present detailed schemes for illustrative purposes: he felt that such detailed proposals might be more effective if annexed to rather than incorporated into our main suggestions;

(b) in the present circumstances, the United Kingdom may be hampered in taking any initiative in this field and there is a case for a Canadian attempt to stimulate a discussion on the basis of detailed rather than new general proposals. As long as our main points are set out separately from suggestions as to alternative detailed schemes, which could be tried out in the course of the negotiations.

6. *Supplementary vs New Arrangement*

Mr. Heeney felt very strongly that we should urge a new arrangement if this would make agreement easier. While, in pure legal theory, we agreed that an original (occupation) as against a derived (contractual) right might be preferable, in practice all depended on the willingness of the Soviet bloc to respect the right in question. The prospects of enforcement were not better in one case or in the other. If Khrushchev were committed to a new arrangement, as we now had little to offer we might as well accept a new statute.

7. Subsequently, I discussed this point with Mr. Chayes, the Legal Adviser of the State Department, and he fully agrees that if a new agreement will facilitate negotiations, the point is hardly worth arguing about. His only reservation was that public opinion might feel that this was a very substantial concession and that we had made a bad deal. He recognized that, on the other hand, this might make it easier to represent the concession to Khrushchev as an indication of our willingness to meet him on some of his requests. We might thus be saved more painful concessions in other areas.

8. *Prospects*

Mr. Heeney made repeatedly and with great emphasis the point that the United States administration are determined to negotiate with the USSR. They are determined to negotiate in good faith with every intention of reaching a settlement. Their fear, however, is that Khrushchev is not in a reasonable mood and that he may not be willing to accept a fair settlement. This does not mean that they will not do their utmost to achieve this objective.

M. C[ADIEUX]

266.

DEA/50341-40

*Ébauche du compte rendu de la réunion
entre le secrétaire d'État aux Affaires extérieures
et le secrétaire général de l'OTAN*

*Draft Record of Meeting between
Secretary of State for External Affairs
and Secretary-General of NATO*

TOP SECRET

Ottawa, September 11, 1961

VISIT OF THE SECRETARY-GENERAL OF NATO

Dr. Dirk U. Stikker, Secretary-General of NATO, called on the Minister, Monday at 9:30 a.m. and had a talk for an hour. The main subjects of discussion were:

- (a) Dr. Stikker's impressions of the attitude he found in Washington on the Berlin crisis;
- (b) the work of the State Department Task Force on contingency planning;
- (c) the work of the Four-Power Ambassadorial Committee in Washington;
- (d) possibility of commencement of negotiations on Berlin;
- (e) possible ministerial meeting;
- (f) prospects of negotiations on Berlin;
- (g) re-unification of Germany;

- (h) economic counter-measures;
- (i) long-term military planning.

(a) Dr. Stikker's Impressions of the Attitude He Found in Washington on the Berlin Crisis

The Secretary-General said that there was a marked difference of atmosphere in which the Berlin crisis was being discussed in private meetings of the Council in Paris and that which he had encountered in his meetings with State and Defence Department officials and with the "Four-Power Ambassadorial Steering Group" in Washington. The main reasons for this difference was that Washington officials took the attitude that "we were much nearer to war."

(b) The Work of the State Department Task Force on Contingency Planning

The State Department Task Force which met daily under Assistant Secretary Foy Kohler had close access to relevant information. At the daily discussions they took into account intelligence, strategic, economic, financial, as well as political aspects of the Berlin problem. There were about 30 members of this Group. The State Department seemed concerned about the lack of progress in the consultations in the Council. Dr. Stikker recalled that Secretary Rusk had spoken to the Council on August 8 about U.S. plans in the military field and of the need for parallel measures by other NATO countries. Two weeks later the Council had commenced discussion on military preparedness connected with the Berlin crisis and already appreciable results were evident from governments. Rusk was also disappointed about the delay in response to Four-Power proposals on economic counter-measures. All in all, Dr. Stikker pictured the Washington atmosphere as much closer to war, with consequent pressures for immediate action, especially in the field of contingency planning measures.

(c) The Work of the Four-Power Ambassadorial Committee

This pressure in Washington to get quick results and decisions on contingency planning had led to the setting up unofficially of an Ambassadorial Steering Group which met daily in Washington under Secretary Rusk. The other participants were: Sir Harold Caccia, United Kingdom Ambassador; M. Hervé Alphand of France; and Herr Wilhelm Grewe of the Federal Republic of Germany. Dr. Stikker said he made it crystal clear to this group that the other allies had a right to be kept fully informed through the Council of any plans that might be worked out. What the Secretary-General had in mind was that the Four-Power Group would, through their representatives in Paris, work out a report on the basis of rough drafts that Dr. Stikker had seen in Washington, and present it to the Council. The constitutional position of this self-constituted group raised some delicate problems. Dr. Stikker thought that consultations taking place could be justified under Article 4 of the Treaty which states: "The Parties will consult together when in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened."

(d) Possibility of Commencement of Negotiations on Berlin

The Minister asked Dr. Stikker what he could say about progress in Washington in the definition of a Western position preparatory to negotiations with the USSR on Berlin. Dr. Stikker replied that there was no agreement on a basis of negotiations among the Four Powers, as France was still adamant against a decision on this matter. Dr. Stikker also found no agreed position among the United States Administration. For instance, Foy Kohler, Chairman of the Task Force, had expressed the view that the West should start with a tough position obviously unacceptable to the Russians. When the Secretary-General had argued against taking too inflexible a position in the beginning, he found that he was supported by Secretary Rusk. Nonetheless, the United Kingdom and United States had agreed to go ahead to prepare for negotiations regardless of French opposition. Views were being developed in the State Department and the Foreign Office in London. Initial probing had begun through Ambassador

Thompson in Moscow. Secretary Rusk was planning to meet with Mr. Gromyko when the latter comes to New York for the opening of the UNGA. The four Foreign Ministers are to have preparatory meetings in Washington on September 14.

(e) Possible Ministerial Meeting

Dr. Stikker said that as a reaction to the obvious by-passing of the NATO Council by the Four Powers, the Permanent Representatives of Belgium and Norway had suggested that the NATO Council should meet in ministerial session, perhaps in Washington, to ensure that the whole Council should be kept informed of the results of the contacts between the United States and the USSR. The Minister observed that the by-passing of the Council by the Four Powers had obviously gone much further than he had supposed and hoped that the situation would be remedied. Dr. Stikker said that as soon as he had definite evidence – which he obtained about a week ago – of the way in which the Council had been by-passed on contingency planning, he had taken steps in Washington, to ensure that the Council was given full information on contingency planning. He recognized his responsibility for safeguarding the institutions of NATO and for ensuring that proper consultations take place by which all members of the Alliance are kept fully informed in advance of decisions affecting them. The Minister asked Mr. Léger to comment on the idea of a ministerial meeting. Mr. Léger thought that as most of the Ministers of NATO countries concerned would be in New York in any case attending the UNGA, it would therefore be possible for Mr. Rusk to keep in touch with the NATO Foreign Ministers in New York. He doubted whether the Council should be brought into extraordinary ministerial session, particularly outside Paris, unless some further critical developments were to emerge. It would be interpreted as meaning that the permanent Council was unable to deal with the situation.

(f) Prospects of Negotiations on Berlin

The Minister asked whether the Group of Four were considering the various ideas on negotiations which had been ventilated or were they simply pre-occupied with contingency planning. Dr. Stikker said that owing to the position of the French, the Four had not been able to get down to the consideration of possible substantive positions preparatory to negotiations. Various possibilities, however, were being examined, both in the State Department and in the Foreign Office. The Minister asked what about the attitude of the Federal Republic of Germany. Dr. Stikker said that he had close personal relations with Dr. Adenauer from which he knew that Dr. Adenauer, while not wishing to prejudice the prospects of negotiations by premature disclosures of his hand – especially during the elections, was prepared to negotiate. At their last meeting some weeks ago, Dr. Adenauer had told Dr. Stikker, “There will be no war.” Dr. Adenauer had also said that as Germany had lost the last war, it should be prepared to pay (presumably by way of concessions). In answer to a question by Mr. Robertson, Dr. Stikker confirmed that it was his understanding that Dr. Adenauer would be prepared to embark on serious negotiations after the elections. Dr. Stikker also mentioned that he had tried to sound out the reaction of the Defence Minister, Herr Strauss, on this matter. He asked him recently whether the people of Frankfurt would be willing to go to war on the issue of Berlin. The Defence Minister had avoided a direct reply.

Turning to the discussions on substantive issues in the Council, Dr. Stikker thought that even if there were at present difficulties for the Germans and the French in defining a negotiating position, it was important that other members should express their views in the Council. Unlike his predecessor, the Secretary-General did not intend to impose his own views. He thought that the development of views in the Council could not go very much further until the results of contacts between the United States and USSR were known. In answer to a question from the Minister, Dr. Stikker expressed certain personal views on what the Soviet intentions over Berlin were. Their main purpose was, he thought, a clear

demarcation of the present boundaries between the Eastern and Western Zones of Germany. Berlin, under this arrangement, should be made part of East Germany, but the Soviet Union was prepared, he thought, to move towards the incorporation of West Berlin with East Germany gradually, maintaining pressures over the access routes to West Berlin. These pressures on access routes to Berlin constituted the main danger in Berlin. The latest moves seem to be against air transport. If the flying of civil aircraft became too hazardous, it might be necessary to consider escorts and that might raise the risks of war. This brought Dr. Stikker back to the point of the importance he attached to the Council being kept informed and exercising more direct control over contingency plans. Even if the three Occupying Powers had special responsibility it was clear that their plans would affect all members – some more than others – and the other governments should be kept in constant touch through the Council.

In answer to a question from the Minister, Dr. Stikker said that he had not heard of any specific proposals in Washington for any United Nations presence in Berlin. He later added, however, that that did not mean that there was not some thinking about it in the State Department.

In answer to a further question from the Minister about whether there had been any discussion of the Oder-Neisse line, Dr. Stikker said that while this was not something that could be freely talked about in the Council at present, he thought, however, that everybody – including the Germans – agreed that recognition of this line would be inevitable.

(g) Re-unification of Germany

The Minister noted that in one of the reports from NATO, Paris, summarizing Council discussions, the Secretary-General was quoted as saying that, “the re-unification of Germany in freedom remains a fundamental aim of the West.” The Minister asked how this aim figured in relation to the definition of a possible *casus belli* over the crisis in Berlin. The public in Canada would not regard the re-unification of Germany as an aim for which the Alliance would be justified in going to war. Dr. Stikker explained that the re-unification of Germany would definitely not be regarded as a *casus belli*. All he had intended to point out was that in the East-West negotiations, which he expected would concentrate on the Berlin problem, the Western powers were committed to the principle of the political re-unification of Germany in freedom as an ultimate aim. It was understood, however, that this aim could only be pursued by peaceful means.

(h) Economic Counter-measures

Dr. Stikker mentioned the importance which the United States authorities attached in Washington to having the Allies prepare themselves in advance with the necessary legislative powers in order to apply economic counter-measures in the event of a blockade of Berlin. His understanding was that the United States authorities wanted these advance powers to be sought, without revealing allied plans to impose an economic blockade. The Minister pointed out that this was impossible under parliamentary procedures. There would have to be an explanation by the government of what was intended, and this would be followed by debate. If, on the other hand, economic counter-measures were being considered in order to deter the Russians from imposing a blockade of Berlin, surely all necessary information had to be divulged to the public.

Dr. Stikker said that the ad hoc committee considering the matter in Paris was not expected to conclude its study before September 23. Secretary Rusk had only raised the matter on behalf of the Four Powers in the Council on September 8. Economic blockade of the Soviet bloc gave rise to special difficulties, to Iceland, Greece and Turkey. Initially Secretary Rusk had talked of “appropriate measures.” Now the United States authorities seemed to be talking about a full

economic blockade to be applied automatically in the event of the closing off of civil and military access to Berlin.

The Minister asked whether it was intended to include China in the blockade measures. Dr. Stikker replied that judging from a talk he had with the U.S. Secretary of Defence, Mr. MacNamara, this was the U.S.A. intention.

Dr. Stikker admitted there were some inconsistencies in the position adopted by the Four. For instance, the United Kingdom were anxious not to have any information divulged in advance for fear of the possible effect on sterling and upon trade with Hong Kong. On the other hand, he emphasized the Washington view "that nuclear war was very near." Against that background the United States authorities were urging that consideration be given to all kinds of measures which might be alternatives to nuclear war. The Minister pointed out that the announcement of an intention of the NATO Powers to impose a blockade which would have to be made if the necessary legislative measures were sought from Parliament, would surely contribute to the cumulative raising of the risks of nuclear war. They would certainly also reduce the chances of successfully initiating negotiations with the Soviet Union. Dr. Stikker recalled that the Council would have to come back to this issue when the special committee reported to the Council on September 23. At least the Four Powers seemed to be in agreement on this issue.

(i) Long-term Military Planning

As an example of the current pre-occupations in Washington with the immediate problems of contingency planning on Berlin, Dr. Stikker mentioned that he had been unable to get any response to his request for a further clarification of U.S. views on long-term strategic planning in NATO. Dr. Stikker recalled that the U.S. had initiated this discussion in connection with NATO long-term planning. They had suggested placing more emphasis on strengthening the conventional forces of NATO and the fulfillment of MC-70 goals. Mr. MacNamara had seemed impatient that the Secretary-General had pressed for further clarification of U.S.A. views on such long-term matters, at a time when all attention should be concentrated on the immediate problems of Berlin.³⁶

267.

DEA/50341-40

*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 S-379

Ottawa, September 11, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel S-344 of Aug 17/61.†

Repeat for Information: London (OpImmediate), CCOS, NATO Paris, Bonn, Paris, Permis New York (Priority).

By Bag from London: Moscow, Berlin.

³⁶ Note marginale :/Marginal note:
Noted by P.M. Sept. 12. H.B. R[obinson]

GERMANY AND BERLIN

I understand that you will be seeing Mr. Rusk on Wednesday morning. Bearing in mind that the meeting of the four Western Foreign Ministers will open the following day, this seems to be our only opportunity to put to Mr. Rusk and State Department officials certain points we have been considering about the Berlin problem.

2. I realize that as a result of Khrushchev's recent belligerent statements and actions in Berlin and, more important, the Soviet decision to resume nuclear testing, it is now more difficult for the United States to press for negotiations with the Soviet Union. Nevertheless, I believe that negotiations should take place in the near future and I hope that a decision to this effect will be taken by the four Western Foreign Ministers.

3. I think perhaps the most useful way to convey some of our thinking about the Berlin problem to the State Department would be to provide you with the texts of working papers which we have been considering in the Department. You should make it clear that the ideas contained in these working papers are preliminary and have not received governmental approval. You should emphasize that they are simply papers which have been prepared at the working level. You may leave copies or summaries of these papers at the State Department. The working papers which are given in my following telegrams are:

- (1) Negotiations;†
- (2) Possible statute for Berlin;†
- (3) Berlin and disarmament;†
- (4) Berlin and the United Nations;†
- (5) *de facto* recognition of the GDR

For London:

4. You should inform the Foreign Office that I have instructed our Ambassador in Washington to discuss with the State Department the ideas contained in the working papers. You may leave copies of them with the Foreign Office.

[H.C.] GREEN

268.

DEA/50341-40

*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 S-384

Ottawa, September 12, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel S-379 of Sep 11.

Repeat for Information: London, CCOS (OpImmediate), NATO Paris, Bonn, Paris, Permis New York (Priority).

By Bag from London: Moscow, Berlin.

BERLIN: *DE FACTO* RECOGNITION OF EAST GERMANY

It seems to us there are a number of steps which might be taken which would not involve full *de facto* recognition of East Germany and yet might provide bargaining elements in developing an agreed settlement concerning Berlin.

2. Is there anything which has to be done in dealing with East Germany rather than with the USSR concerning access to and conditions in West Berlin which would involve *de jure* recognition? Surely no *de jure* recognition is involved in letting East German officials stamp papers, supervise traffic or in discussing with them the operation of safety regulations affecting the air corridors. We are inclined to think not, as long as it is made clear that there is no intention of recognizing East Germany *de jure*.

3. If the concern is over the attitude of East German authorities at some later date, the problem is one of spelling out the arrangement and providing for clear and detailed USSR guarantees rather than one of recognition.

4. If as we suspect, the USSR will attach importance to steps towards some recognition of East Germany, would it not be in the general interest of the West, apart from the practical benefits to be derived in negotiations over Berlin, to offer:

- (a) East German entry into some of the specialized international agencies;
- (b) East German signature of some UN technical conventions;
- (c) East Germans might be associated with some other non-official international organizations.

5. There may be other steps which will not involve more than limited recognition and which might also be considered.

[H.C.] GREEN

269.

DEA/50191-E-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 2883

Washington, September 14, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel S-379 Sep 11 and related messages.†

Repeat for Information: Permis New York, London, Paris, NATO Paris, Bonn (OpImmediate), Brussels, Hague from Ottawa, CCOS Ottawa (Waldock), PCO Ottawa, DND Ottawa (OpImmediate) from Ottawa.

By Bag Moscow, Warsaw, Prague, Berlin from London.

GERMANY AND BERLIN

The Secretary of State received me at 6 p.m. last night. I told him that we were following up his suggestion that he would welcome any thoughts we might wish to put forward on the substance of the problem of Germany and Berlin to supplement earlier discussions with the State Department (for example our approach of July 6) and in particular our conversation with him and other senior USA officials during Escott Reid's visit to Washington.

2. I left with the Secretary a copy of the various departmental papers contained in your telegrams S-380 to S-384 inclusive, making it clear that our own exam of the problems relating to Germany and Berlin was still in progress. These papers on various aspects of the problem reflected working level views which had not repeat not received government approval. In view of the current Four Power meetings, we thought it would be useful to let the State Department have these working papers promptly. We were informing the Foreign Office in London and given them a copy of the working papers as well.

3. The Secretary assured me that our papers were welcome and would be given careful study by USA officials dealing with Germany and Berlin. In course of our talk, he made a number of comments on the prospects for negotiations. He drew attention first to the fact that at the conclusion of the visit of Sukarno and Keita, the President had issued yesterday a brief statement³⁷ (we are sending the text separately) in which he had stressed that “there is no repeat no need for resort to force if both sides in the Berlin crisis have peace for their purpose,” and that, while the position of the West Berliners would be defended, USA was ready to discuss world tensions with other governments, including the government of USSR, and to “search for the means to preserve an honourable peace.” The President had gone on to say that the forthcoming session of UNGA would provide an opportunity for serious talks on Germany and other problems, if Soviet side proves willing. Mr. Kennedy had added that the channels of diplomacy were open and other means were available “when they can serve a useful purpose.”

4. The White House statement had also said that “while efforts are made to reach solutions to issues that have divided the free and the Communist worlds, it is clearly of the utmost importance that there be no repeat no unilateral acts which will make peaceful progress impossible.”

5. In regard to the visit of the two emissaries from the Belgrade Conference, a separate message† gives you the text of a White House communication which will be made public in the course of Friday September 15.³⁸ This sets out the views of USA Government in reply to the message carried from the Conference.

6. As to Soviet attitude toward any meaningful discussion and negotiation, Rusk said that reports received through Ambassador Thompson in Moscow thus far did not repeat not indicate any significant move away from the rigid position taken by Khrushchev at Vienna. At the same time there were a few straws in the wind which might indicate some minor easing of the temperature. According to reports which the State Department had received, Nehru during his Moscow visit had urged on Khrushchev that, in any treaty signed by Soviets with the GDR, provision should be made for a continuing Soviet guarantee of Allied rights of access to Berlin. Another sign was that, if it were possible to get past the German elections without any overt act by Soviets in violation of existing agreements, there was a prospect of some easing of the West German position. Indeed there were already signs of this. There was greater willingness on the part of the Bonn Government to have increased direct contacts with the East Germans in such matters as trade, transit and the free movement of people. If this mood continued after September 17, it could contribute increased flexibility in the Western negotiating position.

7. I asked the Secretary to what extent he anticipated that substance would be covered in the Four Power meetings scheduled to begin today. He replied that for his part he hoped that some progress could be made, although the meeting would focus primarily on the problem and tactics of negotiation. He believed that it was important that the Western Powers should give some consideration to an opening declaration similar to that agreed by the Four Powers, including the Soviets, in the 1955 negotiations reaffirming the long-term goal of German reunification. (We believe he was referring to the Geneva directive to Heads of Post, July 23, 1955.) If this could be done, it would then be possible to hold out greater hope for some interim solution in connection with the problem of Berlin itself. In this context, Rusk stressed that in the various proposals for a new status for Berlin that were being reviewed (and he noted that we had given attention to a possible statute for Berlin), it was of the greatest importance that the interim aspect of such proposals should be stipulated by the Western side. In this context, we drew attention to the fact that in our own working drafts relating to a possible new

³⁷ Voir/See “Statement by Kennedy,” *New York Times*, September 14, 1961, p. 3.

³⁸ Voir/See “Text of Kennedy Reply to Message from Neutrals,” *New York Times*, September 16, 1961, p. 2.

status for Berlin, the expression “pending reunification of Germany” had been carefully preserved.

8. The Secretary was somewhat critical of the complexity of previous Western positions, including both the Western peace plan and the interim Berlin proposals as advanced at the 1959 negotiations. He thought these were unnecessarily complex and had not repeat not been clearly understood at the time. The Soviets had been able to come forward with proposals which had the merit of simplicity, i.e., “a peace treaty and a free city.” Rusk thought it important that any proposals which the Western Powers eventually put forward should be clarified and presented as directly and clearly as possible.

9. On the immediate steps ahead, the Secretary said that he would be attending the opening sessions of UNGA and that the first step in opening up prospects for negotiations would be direct bilateral talks with Gromyko. I asked whether he would be speaking for the Western Four in such discussions, to which he replied that, while he would, of course, be guided by the Four Power discussions which had taken place already, and which are to begin at foreign minister level today, he would feel it necessary and desirable not repeat not to be limited to speaking from a Four Power brief.

10. We asked the Secretary whether a decision had been taken as to the President’s attendance at UNGA. His reply was that no repeat no final decision had been reached and that the President would only decide when he has a clearer idea of what contribution he can make in the plenary sessions. Rusk is himself leaving for New York on Sunday.

[A.D.P.] HEENEY

270.

DEA/50341-40

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

TELEGRAM 2911

Washington, September 15, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: My Tel 2828 Sep 11.³⁹

Repeat for Information: PM Ottawa (OpImmediate) from Ottawa.

BERLIN AND GERMANY: PRIME MINISTER’S STATEMENT ON DEFENCE MEASURES

Last evening I received a letter dated September 13 from the Secretary of State in the following terms:

“Dear Arnold:

Will you please express to your SSEA my sincere gratification for the statement made at Winnipeg on September 1 by Prime Minister Diefenbaker⁴⁰ on the general world situation and more specifically with regard to our rights in Berlin. It was a comprehensive review of a most complex question and, I thought, a telling presentation of the Western position on the whole subject.

³⁹ Note marginale :/Marginal note:

Not rec’d in Reg[istry] [Auteur inconnu/Author unknown]

⁴⁰ Voir/See “PM Urges Calm Appraisal, Not Hysteria in Face of Red Moves,” *Globe and Mail*, September 2, 1961, p. 4.

I will also be most grateful if you would tell Mr. Green how much I appreciated his own statement before the House of Commons on September 7. His declaration on the resumption of nuclear testing showed great understanding and I would like him to know how highly we value this support.

Canada's stand on matters which bear so much on the future of all of us, in these difficult times, is a source of real comfort to us in Washington.

With warm personal regards,

Sincerely,

DEAN RUSK

2. You will remember that Rusk had previously phoned me on the subject (my reference telegram).

[A.D.P.] HEENEY

271.

DEA/50341-40

*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 15, 1961

INTERNATIONALIZATION OF BERLIN

The German Ambassador called on Mr. Cadieux this afternoon by appointment to discuss the suggestion made by the Prime Minister that Berlin might be internationalized under the United Nations.

2. The Ambassador appreciated that this was only one of many possible roles which the Prime Minister envisaged that the United Nations might undertake and that the Prime Minister had made it clear in his remarks that this role could only be undertaken with four-power approval. The German Ambassador nevertheless made the point that the authorities in Bonn, as we might have learned from the newspapers, had reservations about such a project. Furthermore, the Ambassador did not think there was any likelihood that the U.S.S.R. would agree to such a scheme. He agreed, however, that it might have propaganda value and a useful effect on neutral or uncommitted nations at the U.N.

3. The Ambassador then went on to make two further points:

(a) Since his return to Canada he had noticed that the press here was discussing only the concessions which the West might make. There was no thought given apparently, or at least no concrete suggestions were being made, as to what the U.S.S.R. might be expected to give in return for any Western concessions. Mr. Cadieux said that the Government had been aware of this and that the recent speeches by the Prime Minister and by yourself had been made partly with a view to providing leadership on this issue and presenting the problem in perspective.

(b) The German Ambassador said that the Canadian case seemed to be based essentially on two arguments: respect for international agreements and U.N. principles. He thought that this left out the most important consideration, e.g. the loyalty of the Germans to the NATO alliance and to Western ideals. The prime objective of Khrushchev was not limited to Berlin. He had far more ambitious schemes and particularly that of disrupting the alliance. Mr. Cadieux said that the Prime Minister and yourself were fully aware of this particularly important aspect of the question; in making public remarks care had been given to selecting the arguments which

seemed more likely to be accepted by the public and not to create controversy. In his speech to the Bar Association in particular, the Prime Minister had tried to answer the question which was raised in private letters and in editorials: "Why should we stand firm on Berlin?" It was a matter of record that the speeches made so far had been well received and had, it appeared, generally achieved the expected objective. The Ambassador said that he was very gratified to learn that these considerations were in the minds of the officials and of the Ministers concerned.⁴¹

N.A. R[OBERTSON]

272.

DEA/50191-E-40

Note de la Direction des Nations Unies
Memorandum by United Nations Division

SECRET. CANADIAN EYES ONLY.

[Ottawa], September 16, 1961

ASSEMBLY INITIATIVE ON BERLIN: TECHNICAL PROBLEMS

The assumption is that the Berlin question will be discussed during the General Debate at the 16th session. This will give a full opportunity to restate in the Canadian speech the suggestions which the Prime Minister advanced in the House on September 11. A key paragraph reads as follows:

"There are some things the United Nations can do; there are others it cannot do. The United Nations is limited by the fact that Berlin is part of the peace settlement with Germany and is therefore, under the charter, reserved for consideration by the victorious powers. However, if the four powers decide they would like the United Nations to play a part, then there are roles the United Nations can play. There is the question of safeguarding the maintenance of peace; and where the peace is threatened, if the majority of the United Nations decide that this is being done by the U.S.S.R. or by any other nation, the matter could be brought before the United Nations. Mr. Khrushchev said in his interview with Mr. Sulzberger of the *New York Times* that he is not averse to United Nations discussions if the big four agree."

2. The Prime Minister dismissed the suggestions made by the Leader of the Opposition (a) that the whole city of Berlin could be placed under United Nations trusteeship with access guaranteed by United Nations force and (b) that the United Nations Headquarters should be moved from New York to Berlin.

3. The Prime Minister then went on to make his suggestion about internationalizing Berlin as follows:

"I think the time has come when consideration might be given – and the United Nations might give consideration thereto – to the internationalizing of the city of Berlin under the United Nations, with its status to continue under United Nations presence. I realize that this suggestion would not receive the support of Mr. Khrushchev. However, it at least would bring about a step forward in the assurance that if negotiation failed, the United Nations would have something to which it could give its attention. It would require uncontrolled access by the West. It would also require a willingness on the part of the four powers to agree."

⁴¹ Note marginale :/Marginal note:
Prime Minister to sec. R. C[ampbell] 16/9.

4. Later the Prime Minister recognized that there were a number of complicated factors, not the least of which was the question of timing of any United Nations involvement. He then said:

“The United Nations could, to begin with, exercise the function of promoter of an agreement on the Berlin problem by providing a focus for world opinion, which could have the effect of impelling the powers directly concerned to settle their differences by negotiation. Second, the United Nations could, if the powers concerned could be persuaded to agree, act in various roles as observer to verify that any new agreement reached was being fully implemented in accordance with its provision. Third, the United Nations could be assigned the more difficult task of operating an international régime in Berlin.

“The problem is one of selecting the role which is most likely to contribute to the settlement of the Berlin problem in particular circumstances. This means essentially that the role of the United Nations must be related to developments in negotiations toward a settlement. The four powers have primary responsibility in Berlin, and must first enter into direct negotiations. There are some indications at the moment that there is a reasonable prospect of there being negotiations. When I speak of a reasonable prospect, I am not speaking in anticipation of possible success, in view of Mr. Khrushchev’s intrinsic position. If direct negotiations succeed might there be a possibility of providing a role for the United Nations, perhaps as guarantor of the agreement reached.

“It is important to remember that the effective introduction of the United Nations into Berlin could only be done by agreement of all the four powers. I need not say that this may not be easily achieved. Whatever the difficulty might be, I think the little powers and other nations to be affected by the outcome of the Berlin problem have a right to an opportunity to be heard and to place their views clearly before a forum of most of the nations on earth. Furthermore, I can think of the possibility of the United Nations role being that of an observer in the city, or a supervisor on the access routes. Consideration of this possibility might facilitate negotiations and, if the idea were implemented, it might provide a stabilizing element in what is bound to remain a sensitive area throughout the years.”

5. There would be no difficulty about including all these suggestions in the speech in the General Debate. They could be placed in the contest which the Prime Minister emphasized, that of agreement among the four powers as a result of negotiations. Already there is some indication that Mr. Rusk and Mr. Gromyko will be discussing the possibilities for negotiation.

6. If Canada wishes to make some concrete proposal, however, in form of a resolution containing substantive suggestions, it will be necessary to have an item inscribed on the agenda. At this late date, it would have to be an additional item “of an important and urgent character,” under rule 15. Such an item would be submitted to the General Committee and ultimately to the General Assembly for a decision on whether it should be included in the agenda. It would depend on circumstances whether the General Committee and the General Assembly would act favourably on a request for the inscription of an item on Berlin. For example, if the request were made at a time when negotiations would actually be in the offing, there would probably be no disposition to have a debate and the item would not be inscribed. On the other hand, if negotiations had been tried and had failed, member states might wish to have the whole matter aired thoroughly in the Assembly. Of course, if the Berlin situation had actually become a threat to the peace, it would probably be referred to the Security Council in the first instance. Developments like these are more likely to take place later in the session.

7. In the early part of the session, especially if arrangements for negotiations about Berlin appeared not to be materializing, there might be some sentiment in the Assembly in favour of a resolution urging that negotiations be commenced. The uncommitted members, for example, might introduce this kind of proposal, perhaps calling for a summit meeting. The Belgrade Conference has already expressed itself in favour of this. This possibility has been envisaged by the Prime Minister in his suggestion that the United Nations could promote an agreement on Berlin by focussing world opinion and by impelling the powers directly concerned to settle their differences by negotiation. Presumably, a resolution which did no more than call for negotiations could be introduced in the General Debate without any specific item on Berlin. This was the procedure followed last year when the neutral leaders sought to bring about a meeting between President Eisenhower and Mr. Khrushchev. It is doubtful, however, whether such a resolution could contain substantive suggestions as to the role which the United Nations might play in any Berlin settlement.

8. In any event, there have been indications that the Great Powers do not wish the United Nations to inject itself into the situation unless the four powers themselves agree that United Nations participation would facilitate a settlement. Probably the Soviet Union would argue strongly that the Charter precluded United Nations intervention unless the four powers were agreed on it. It seems most unlikely that the uncommitted members would support any proposal to have the United Nations intervene in the face of Soviet opposition. This would be all the more true if the Western great powers and Germany were similarly opposed. In present circumstances, therefore, there seems little likelihood that an initiative involving substantive suggestions could be mounted at the 16th session, especially in the early part. It would depend on the situation later on whether anything could be done.

273.

DEA/50341-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures
Ambassador in Soviet Union
to Secretary of State for External Affairs*

TELEGRAM 616

Moscow, September 20, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 497 Aug 16.†

Repeat for Information: London, Washington, Permisis New York, NATO Paris, Paris, Bonn from London, CCOS, DM/DND, PCO from Ottawa, Cairo (Deferred) from London.

By Bag Prague, Berlin from London.

GERMANY AND BERLIN: SOME REFLECTIONS ON JU-JITSU DATED SEPTEMBER 17

The announcement here that Gromyko will be meeting this week with Mr. Rusk has for the moment created some optimism among Soviet public and has also prompted suggestions by intermediate and lower-level Soviet officials to Western diplomats that the period of danger and difficulties is now past. This reaction of relief is of course excessive and at least very premature. It seems to me quite possible that the preliminary explorations may show that no repeat no real agreed basis for formal negotiations can be found. Alternatively there may be formal negotiations in which the two sides may not repeat not reach any agreement.

2. This may then at best lead to situation in which USSR and some other countries sign separate peace with East Germany, followed by period in which there is in practice little or no repeat no substantive interference with fundamental freedoms of West Berlin and its access routes. Presumably some such result is likely if (a) Soviet leaders become convinced as we hope they will be of firm Western determination to defend West Berlin's communications, and (b) there is nevertheless no repeat no general agreement on a new juridical basis or on settlement of "German" or "Berlin" problem. The resultant situation could go on for a long time, but dangers would remain.

3. In the meantime it is also possible that there will be some deterioration in morale of West Berliners and West Germans from mere fact that Soviet Government and some other countries have signed separate peace treaty with DDR.

4. Above situation may seem probable result if West merely stands firmly pat in present crisis. It would not repeat not be intolerable, but would be far from ideal. Meanwhile various elements in Western position (but perhaps also in DDR position) may gradually be eroded. New crisis may always seem around corner.

5. Above prognosis is based on assumption of Western firmness and on failure of agreement with USSR on any major new proposals, but also on Soviet recognition of danger points and appropriate prudence on vital question of our Berlin access routes.

6. I sometimes wonder whether the West might not repeat not gain more by adopting a jujitsu technique in face of present Soviet demands than from steadfast refusal to budge much from our traditional posture.

7. I was interested that in interview with Drew Pearson,⁴² published here on August 29, Khrushchev in describing his proposals for West Berlin stated "West Berlin government like any sovereign government must have right to maintain diplomatic, economic and cultural ties with any country of any continent." This gives higher status to West Berlin than many interpretations of usual rather vague Soviet references to free city conceived as special autonomous enclave within East German territory.

8. I was also interested that in his speech at Soviet-Indian friendship meeting during Nehru's visit last week Khrushchev appeared to be demanding or at least proposing that DDR as well as West Germany should enter UN. Some Western and neutral ambassadors here have interpreted this not repeat not as further Soviet demand, but as Khrushchev's idea of a compromise which would give DDR international recognition of status, while not repeat not necessitating Western *de jure* recognition. (Incidentally *Pravda's* leader of September 19 says UN admission of two German states would be "very beneficial for peace.")

9. Personally I can see considerable disadvantage for West if two Germanies become UN members, and I doubt whether West Germany or other Western powers will accept this.

10. Nevertheless it seems to me that UN membership for three repeat three Germanies (including sovereign city state of West Berlin) might have some real advantages. Much would depend on how this was presented, but it seems to me it could be successfully presented by West as an interim device pending German reunification. Meanwhile it would give vastly enhanced juridical status to West Berliners, and incidentally would under Charter involve tying even neutralists and UNGA itself legally to supporting and defending independence of West Berlin. Conceivably this newly enhanced status for Berlin could offset (and give some substance to Western publicity campaigns designed to reverse) the reported recent decline in morale of West Berlin's population. In UN there would be two German spokesmen to advocate progress towards implementing fundamental principles of self-determination for all Germany

⁴² Voir/See "Text of Interview with Soviet Premier," *Washington Post*, August 28, 1961, p. A8.

against one Communist spokesman, who would probably not repeat not show up very well, voting regularly with other satellites in Soviet Bloc.

11. Taking Khrushchev up on his published suggestion that sovereign West Berlin government would have right to keep diplomatic, economic and cultural ties with any country would make it difficult for him to object to the essential currency and economic union between West Berlin and West Germany, or indeed to any other ties or cooperation on which both sovereign parties agreed and which were not repeat not explicitly precluded in treaty.

12. I assume that a sovereign city state of West Berlin would seek and be granted continued presence of USA, UK and French troops, to guarantee its frontiers, in exchange for agreement that West Berlin itself would not repeat not maintain any military forces. This would be more convincing (because more honest) basis for presence of three power forces than continued reliance on occupation status.

13. I do not repeat not at all like idea of moving UN headquarters from New York to Germany; I am commenting on this in a separate message.† But moving European headquarters of UN, or headquarters of some specialized agencies, might be desirable.

14. I realize that above proposal for three sovereign Germanies, pending voluntary reunification, would stand or fall by reaction of leaders and public opinion of West Berlin and German Federal Republic: but solution along these lines would I think have some significant advantages from their point of view also. It need not repeat not in any way imply abandoning of goal of reunification on basis of self-determination. There have been precedents of sovereign states voluntarily uniting (e.g. Syria and Egypt). It would make easier beginning of Federal German diplomatic relations with Poland and other East European countries which should surely prove advantageous in long run to Germany, to East Europeans, and to West. And it might in practice offer a more promising and less unrealistic prospect of eventual reunification. Incidentally a three-Germanies solution could mean that it would be less ridiculous or inequitable from Western viewpoint to have an all-German committee or commission set up to study questions of contacts and eventual reunification. Representation of three German states on this committee could be equal (i.e. two to one against Communists) or proportional to population.

15. A Western proposal on these lines could be explored along with and if necessary made conditional on some liberalization of (or on undertakings gradually to liberalize) the régime in East Germany, e.g. to allow more freedom of movement across frontier and within sectors of greater Berlin. It might gradually focus pressure on Khrushchev to replace unpopular Stalinist régime of Ulbricht with more national Gromulka-type régime in East Germany. You will recall that German Ambassador Kroll, just after his return from discussions with Adenauer, spoke to me about importance of West seeking to persuade Khrushchev to replace Ulbricht and introduce more liberalized democratized régime in East Germany (my telegram 513 August 2).†

16. Though it would not repeat not be essential, I think such Western offer in formal negotiations could perhaps be coupled with proposal for similar solution of UN membership for two Chinas (that is, mainland China and Formosa) inside UN. I realize that this latter point would be painful for USA, Formosa, Russia and China. Nevertheless it would I think have some substantial advantages for reasons set out in my telegram 509 August 21.† And while it may be overambitious to try to make some progress on China question in the midst of current Berlin crisis which is complicated and worrying enough in itself, there are I think two factors, apart from element of logical analogy, which might favour tying these two questions together at this time. One is that presumably reasonable men in both Communist and Western nations are coming towards what one might call a moment of truth, having been forced (I hope only temporarily) to peer seriously into thermonuclear abyss. This situation may make drastic

psychological readjustments for all of us on both sides of Iron Curtain less difficult this winter than is normally the case. Another factor is that the current grave internal difficulties in China may make it harder for Communist Chinese leaders to dissuade Soviet leaders from going along with some such solution. The danger of undermining the prospect of uniting Chinese of Singapore into a greater Malaya seems to me the most serious real objection to the two-China solution, and I do not repeat not want to underestimate it. But fact remains that Western policy in Asia is based on a dangerous fiction that will become increasingly untenable. After we have survived present Berlin crisis we may have to face another and equally dangerous off-shore island crisis (or UN crisis) unless we take steps soon to improve Western posture vis-à-vis mainland China.

17. As far as German question itself is concerned, I realize that the proposal here suggested might unless carefully handled create serious psychological disturbance among Germans. On the other hand it may, once the initial shock is over, strike Germans and others as a more mature and less flimsy solution for continuing peace, stability of Berlin, and progress toward eventual reunification, than some device for merely maintaining status quo at cost of some sort of *de facto* recognition of East Germany, which would still leave West Berlin in relatively dangerous position.

18. I cannot repeat not predict considered Soviet reactions to this three-Germanies with full UN membership idea. Clearly it would make it much more difficult for Khrushchev, at some stage following signature of separate peace treaty, to start nibbling away at Berlin – a long term plan which he as well as Ulbricht may well be working on in the event that they cannot repeat not get what they want now through negotiations with West. Yet it would give Khrushchev the essence of what he says he seeks, and indeed give it in full measure. It could of course be coupled with technical agreements on cessation of propaganda and espionage centres in West Berlin (and in East Berlin). It would allow Khrushchev to claim to his fellow Communists that he had obtained international recognition of DDR and end of occupation status of Berlin. If it also involved UN membership for China he could claim this as another victory which he had achieved after years in which Mao Tse Tung had failed.

19. Despite all this I think net result would prove more favourable in long run to West than to Communists. Meanwhile several dangerous problems would have been resolved and the two systems of democracy and communism could get on with “peaceful coexistence” and competition, I think we can accept Khrushchev’s challenge on this.

20. The three-Germanies proposal could for tactical purposes be put forward on basis of all Berlin, if desired. This would at least give us something to retreat from, though I do not repeat not expect USSR would buy it, nor personally do I like idea of any intimate administrative cooperation with Communists which seems to me to involve storing up serious trouble for future.

21. I do not repeat not know whether this ju-jitsu approach will commend itself to you – still less to USA, UK, Formosa and Germany. In any case it would seem very desirable that the three-Germanies idea should not repeat not leak prematurely and precipitate an unconsidered denunciation by e.g. any German politicians, particularly during next few weeks of probable intense political party manoeuvring in Bonn. For this reason I am marking this telegram for Canadian Eyes Only in first instance and restricting its circulation to a few posts. I leave question of circulation to other posts on standard Berlin addressee list to department.

ARNOLD SMITH

274.

DEA/50341-40

*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 1932

New York, September 21, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, NATO Paris, Bonn from Ottawa.

By Bag Moscow, Warsaw, Prague, Berlin from London.

UNITED NATIONS – BERLIN

Following comments have been prepared in light of Prime Minister's statement in House of Commons on September 11 in which he discussed possible relationships of UN to Berlin problem and of departmental working papers outlined in telegrams on this subject enumerated in your message S-379 September 11 to our Embassy in Washington. From viewpoint of this post arguments for a UN role in connection with an interim Berlin settlement are particularly cogent. As I have pointed out in previous messages prospect of convincing a really representative majority of UN (including more responsible Africans and Asians) of validity of our case in Berlin as it stands are not repeat not too encouraging. Undoubtedly idea of a new status for Berlin guaranteed by UN would have more appeal. This however is largely a matter of presentation. More significant would be acceptance of principle that in a dispute between great powers threatening peace, UN could play a role in bringing about a settlement. Such a view I am sure would find wide acceptance and would of course be in line with our own consistent support for UN.

2. It is perhaps almost too obvious to state that fundamental question arising at this point would be which Berlin? Our working papers on subject assume that we mean whole of Berlin although we speak in your S-381 September 12† of modifications which would be needed if it were necessary to define status of an independent West Berlin. It is of course highly improbable that Russians would ever accept such a new status for whole of Berlin and Western allies are still apparently a long way from accepting such a status restricted to West Berlin. Nevertheless our ideas as applicable to whole of Berlin do make up a consistent position far more coherent and presentable than status quo. If only from this point of view they would represent a step forward.

3. Assuming however that Russians would not repeat not accept merging of institutions of Communist Berlin with those of West Berlin and that Western powers are not repeat not prepared to sponsor such a régime for West Berlin alone, is there not repeat not possibility of a compromise which could at least be kept in mind as a fall back position if it proved worthy of further exploration? Could one envisage a link between two cities of Berlin which did not repeat not go so far at this stage as unification of their separate institutions and electoral systems but which brought whole unity of Berlin under some measure of UN surveillance? Would it be possible to envisage a statute for whole of Berlin guaranteed by Security Council with a commissioner for Berlin with responsibilities outlined in your working paper but without provision that electoral systems of two Berlins should be merged? In other words, could a UN High Commissioner preside over a divided city? Any such system would have to be based upon Four Power Agreement that this was merely an interim stage towards eventual unification of Berlin. Meanwhile UN High Commissioner might be given responsibility for confirming that freedom of transit exists between population on either side of the sector

boundary and for confirming existence of certain minimal human rights and freedoms on both sides of boundary. A high commissioner in such a situation would have to take counsel with civic authorities of East and West Berlin. Perhaps a consultative group from each of two Berlins should be appointed to assist him in his functions.

4. Implementation of such an arrangement would obviously be faced with all kinds of difficulties. Advantage would be that neither East or West Berlin would be asked to merge their political and economic systems at this stage in one single entity.

5. From time to time suggestions have been put forward that some kind of confederal link perhaps a council on which two Germanies were represented could be first embryonic stage towards German reunification. A somewhat similar idea seems to underlie German mixed commissions proposed as part of latest "foreign ministers revision of Western peace plan" as reported in NATO telegram 2323 September 18.† Such ideas in one form or another may have some future significance in relation to problem of German reunification which in our opinion must be a gradual process coming about by stages, if ever. Could same principle but under UN auspices be established as a holding operation in Berlin?

6. I only venture to throw out these ideas because it is difficult to imagine an agreement reached on basis of either whole of Berlin or of West Berlin.

7. Turning to relationship of any statute for Berlin to UN there are a few general comments which occur to me. In first place as you point out such a statute would have to be based upon prior Four Power Agreement. It would have to be clear that it was an interim solution pending reunification of Germany. Thus it would have to be clear also that Four Powers had reached agreement and were calling in UN to see that agreement was implemented. Our working papers suggest UN would have a role of supervision which could come very close to control. It appears to me at first that only organ of UN which could be authorized to perform this role would be Security Council. It would be most undesirable that problems arising out of UN role in guaranteeing and observing a Berlin settlement should be subject to fluctuating majorities of UNGA especially now that Assembly comprises so many countries of Asia and Africa whose primary interests are not repeat not in European problems at all but in their own nationalism and economic development. Such nations might be influenced in their attitude over Berlin by Western (or Soviet) attitude towards their "anti-colonialist" activities and their demands for economic assistance. It would be wrong to place destiny of Berlin and our own NATO engagements at mercy of such a majority.

8. Prior to death of Secretary-General there might have been some hope that Mr. Hammarskjöld with his unique skills in this field could have been entrusted with a wide measure of executive responsibility for any "UN presence" in Berlin although his responsibility would always have had ultimately to be to Security Council. But in present state of affairs any proposal to suggest entrusting any Secretary-General with wide responsibilities in this field would probably be but another stumbling block to negotiations with Soviet Union.

9. There remains Security Council and with it veto but as whole settlement would in any case be dependent on Four Power consent – and in reality on continuing Four Power assent, this is perhaps no repeat no firm objection. If a detailed statute for Berlin could be negotiated you might indeed get a situation in Security Council in which Security Council could not repeat not propose intervention in affairs of Berlin unless there were an unanimous decision to do so (the so-called Vienna type veto).

[C.S.A.] RITCHIE

275.

DEA/50341-40

*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, September 22, 1961

GERMANY AND BERLIN: 4-POWER FOREIGN
MINISTERS' MEETING REPORT

After studying the report to the North Atlantic Council from the 4-Power Meeting in Washington, September 14-16⁴³ contained in NATO telegrams 2321† and 2322† of September 18, I should like to make a few suggestions about points which seem to me might be usefully included in any comment prepared for the guidance of Mr. Léger.

2. In general, from the point of view of preparing a substantive position which might constitute the basis for negotiations with the Soviet Union, this report is disappointing. The revised plan considered by the Four admittedly is "a simple version of the plan established in 1959." As such it could be, I suppose, justified as establishing the maximum possible demands on the Western side for bargaining purposes. However, with the "probing talks" between Mr. Rusk and Mr. Gromyko beginning and the German elections over, the time has come to move from manoeuvring for position to the working out of a possible bargain with the Soviet Union.

3. The elements of such a bargain should be examined by the NATO Council in detail. It goes without saying that the manoeuvring for position will inevitably continue right up until some agreement is made with the Russians or a worse crisis develops through the absence of agreement. In the process of manoeuvring, the Council should watch, however, that the steps taken in this manoeuvring – including measures for contingency planning – should not spark off hostilities accidentally. It is particularly important for the Council to watch [the] disposition forces in Berlin, along the corridors – both air and on the ground – and to see that provocative actions are avoided.

4. M. Spaak's analysis contained in Mr. Léger's telegram 2309 of September 16† should be supported as to general approach, namely, that while it would be impossible for the West to accept a separate treaty and *de jure* recognition of East Germany, it is essential for the West to maintain the initiative and not merely to respond, as the 4-Power report suggests, by *post facto* declarations of non-recognition and denunciation to a Soviet separate treaty with East Germany.

5. Likewise M. Spaak's suggestion to concentrate on a provisional solution seems to me sensible. I am not sure however that it is realistic to say that such a provisional solution can be limited to Berlin. After all, Khrushchev has defined the aim of his proposals as being: "... To extinguish by the conclusion of a German peace treaty the smouldering embers left in the centre of Europe after World War Two, to record juridically the existing German frontiers, to bar the way to the dangerous gambles of militarists and revanchists who have again reared their heads in West Germany." Talks therefore with the Russians are bound automatically to broaden. Such a development, while enlarging the scope of what is negotiable, might improve the chances of a bargain, assuming that the Russians have a genuine interest in avoiding war

⁴³ Voir/See *Foreign Relations of the United States, 1961-63*, Vol. XIV (Washington: United States Government Printing Office, 1993), documents 151, 152.

and achieving stability in central Europe, and not merely imposing terms on the West, which they must know they are not in a position to do.

6. The elements of a temporary bargain with the Russians would seem to exclude:

- (a) the reunification of Germany at the present time;
- (b) the acceptance of a separate peace treaty on the terms suggested by the Russians;
- (c) the changing of the free institutions of West Berlin and the exclusion of Western rights including access of civil and military traffic between West Germany and Berlin.

7. What seem to be negotiable are guarantees from the Russian side:

- (a) for the freedom of the people of Berlin to choose their own institutions and forms of government;
- (b) free access for civil and military traffic to Berlin;
- (c) guarantees against unilateral interference with such rights involving the use of the UN, if possible, to observe the implementation of such guarantees both in Berlin and on the access routes.

8. The West should be in a position to offer guarantees in exchange which might include the following:

- (a) guarantees by the West not to change existing frontiers and arrangements for access to Berlin and within Berlin by force with a collateral undertaking among the Four Powers to which the two Germanies would be required to subscribe, that all disputes would have to be raised and settled through negotiations;
- (b) guarantees about keeping at least long-range nuclear weapons out of both parts of Germany, particularly MRBM's – postponement of decision in NATO provides an opportunity;
- (c) guarantees against provocative activities carried out by the West in Berlin, such as broadcasting and intelligence;
- (d) encouragement of *de facto* contacts between the two Germanies through mixed commissions to adjust day to day issues in dispute in the economic and political fields.

9. It might be possible, in this way while meeting the Russians on their legitimate concerns for security in Central Europe, to arrive at acceptable arrangements for Berlin without a separate treaty with East Germany having to be negotiated and denounced by the West.⁴⁴

G. I[GNATIEFF]

276.

DEA/50341-40

*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-413

Ottawa, September 26, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tels 2321 through 2335 of Sep 18† and 2412 of Sep 23.†

⁴⁴ Note marginale :/Marginal note:

I generally agree with the argument of the paper. [Norman] R[obertson]

Repeat for Information: Washington, London, Paris, Bonn, Permiso New York (Priority)
CCOS.

By Bag Moscow, Berlin from London.

GERMANY AND BERLIN

In the Council discussions you will, of course, be guided in general by the Prime Minister's speech to the Bar Association on September 1⁴⁵ as well as his further statement about possible UN roles in the House on September 11. The reports given to the North Atlantic Council of the Foreign Ministers' meeting in Washington have been overtaken as a useful basis for detailed discussion in the NATO Council by Khrushchev's talk with Spaak giving certain Soviet suggestions about possible Berlin solutions and the President's speech in the UNGA.

2. Against this background the Four Power report defines the positions which the Four Powers no doubt felt obliged to adopt against the contingency that the Soviet Government signed a separate treaty without prior negotiations and may still be regarded as a tactical first position for bargaining purposes in the manoeuvring which may well go on until the basis of agreement is established.

3. However in view of the important fact that Khrushchev has taken an initiative through Spaak to elucidate a possible basis for a Berlin solution⁴⁶ and President Kennedy has focussed attention on specific and practical problems of access to Berlin and Western rights there, it would be important for the Council to proceed with a careful examination of what might be acceptable in the Khrushchev suggestions in order to help establish a basis of a Western position for negotiation.

4. In particular, careful consideration will have to be given to Khrushchev's idea of effecting a settlement by two peace treaties with elements in common, as well as to the idea of guarantees of the present free status of the citizens of West Berlin and unhindered access along clearly defined routes, which might be specified in both treaties and their implementation supervised by the UN. Obviously the indication that Khrushchev is prepared to discuss guarantees of West Berlin's status and access to that part of the city with the Three Powers, before concluding a separate peace treaty, is a development which should be welcomed and thoroughly explored even if aspects such as the presence of Soviet troops in West Berlin would not be acceptable.

5. Khrushchev's references to the UN in relation to West Berlin are also of interest and merit exploration. They may indicate that the USSR is becoming more receptive to the types of UN responsibility which the P.M. outlined at Winnipeg and in Parliament.

6. One aspect of the modified 1959 peace plan outlined in your telegram 2323† which could now be explored as possibly having a place in any provisional arrangements pending agreement on the re-unification of Germany, would be the setting up of all-German Commissions to deal with practical matters between the two Germanies. Likewise we would hope that attention is paid in any provisional arrangements to the limitation and control of arms in the area, particularly any long-range missiles. The postponement of a decision on MRBM's in NATO might provide an opportunity.

⁴⁵ Voir/See "PM Urges Calm Appraisal, Not Hysteria in Face of Red Moves," *Globe and Mail*, September 2, 1961, p. 4.

⁴⁶ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XIV (Washington: United States Government Printing Bureau, 1993); p. 446.

7. Finally, in the period of manoeuvring for position leading to the establishment of a basis for negotiations with the Soviet Union we would hope that the Council will bear in mind its important responsibilities to avoid any provocative action, especially in Berlin and the corridors while maintaining a firm attitude.

[H.C.] GREEN

277.

DEA/50271-M-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Soviet Union
to Secretary of State for External Affairs*

TELEGRAM 670

Moscow, October 4, 1961

SECRET. PRIORITY.

Reference: My Tel 616 Sep [20].

Repeat for Information: London, Washington, Permex New York, NATO Paris, Paris, Rome, Bonn, Brussels, Hague from London, CCOS Ottawa, DM/DND, PCO Ottawa from Ottawa.

By Bag Cairo, Delhi, Belgrade, Warsaw, Prague, Oslo, Berlin, Stockholm, Berne, Copenhagen, Helsinki, Vienna, Athens, Ankara from London.

GERMANY AND BERLIN

Dated October 4. In my reference telegram I referred to word being put about in Moscow by various Soviet officials to effect that period of danger and difficulties over Berlin is now largely past. I said I regarded any such estimate as excessively optimistic and at least premature. The soothing Soviet line continues, has become more marked in public, but my comment still stands.

2. There has I think been some change in Soviet tactics. Since early September, and corresponding almost exactly I believe with Mr. Nehru's visit here, there has been a noticeable change in Soviet reference to Germany-Berlin problem and to Soviet press treatment of it. Instead of the hard and belligerent words which helped to build up the feeling of crisis during the summer, we have seen Mr. Khrushchev's reassuring words to Paul Reynaud and Spaak⁴⁷ and to some extent also in his interview with Sulzberger.⁴⁸ With the exception of the army paper *Red Star*, which has continued to print articles by Soviet military leaders on the necessity of preparedness and possibility of war, Soviet press in news reports and editorial comment has tended to emphasize the desirability and the good prospects of negotiations as the means of settling Berlin problem. In a public lecture a few days ago, Soviet official lecturer said categorically that Berlin problem would be settled through negotiation. This is typical of present party line here.

3. Despite these calming noises, I can find no repeat no firm evidence to suggest that there has been any significant change in the substance of Soviet proposals on Germany and Berlin

⁴⁷ Voir *Documents diplomatiques français*, 1961, tome II (Paris: Imprimerie Nationale, 1998), pp. 400 à 408. See *Foreign Relations of the United States, 1961-1963*, Vol. XIV (Washington: United States Government Printing Bureau, 1993); p. 446.

⁴⁸ Voir/See C.L. Sulzberger, "Khrushchev Says in Interview He is Ready to Meet Kennedy," *New York Times*, September 8, 1961, p. 1; "Excerpts from Transcript of Khrushchev Interview on Berlin and Other Issues," p. 11.

which could lead West to believe that there is now a more reasonable and accommodating Soviet attitude likely to improve the prospects for negotiations if they take place. It still appears that Soviet leaders want and expect negotiation to lead to a solution on Soviet terms.

4. My American and UK colleagues, and most other well informed observers here, share my view that any Western optimism or relaxation at this stage would be premature and dangerous. USA Ambassador Thompson tells me that he thinks recent Western visitors to Moscow have been rather misled by Khrushchev's charm and "taken into camp." Thompson thinks Khrushchev will probably lead us to very brink of thermonuclear war within next few months. British Ambassador's assessment is not repeat not dissimilar.

5. Sir Frank Roberts tells me UK Foreign Office think Gromyko has been more successful in probing American thinking than Rusk has been in probing Soviet intentions. Moreover my impression from what Sir Frank Roberts tells me, confirmed by NATO telegram 2456 September 27, † is that in conversations with Lord Home Gromyko has if anything suggested an increase in Soviet price for guaranteeing freedom of Western communications with West Berlin. To suggest that West should force FGR to undertake new juridical obligation to USSR to limit its arms and engage not repeat not to have nuclear weapons (does this involve carriers?), in exchange merely for Soviet guarantee that West can continue its present communications facilities strikes me as bland effrontery. After recent month's thermonuclear threats by Khrushchev, and unilateral Soviet actions and his declared intentions in East Germany, this would seem amusing if the stakes were not repeat not so serious.

6. Nevertheless the development in Soviet tactics seems significant and worth analysis. It is scarcely disputable that Soviet leaders and Soviet press have during past few weeks been trying at least in public words to play down crisis aspect of Berlin. Perhaps this is merely part of standard Soviet technique of blowing hot and then cold in order to confuse opponents and get them off balance. Or softer public tactics may be designed to improve Soviet posture during general debate at UNGA. There could be other tactical considerations involved. Soviet leaders may have become concerned that Soviet public were on point of becoming genuinely alarmed at prospect of possible war, and that some reduction of internal tension atmosphere was desirable. I think there is some validity in all of these hypotheses, but that change in Soviet tactics may be understood chiefly in terms of the probing and feeling out of each others positions which Khrushchev so frankly described in conversation with Roberts and myself in early August (my telegram 489 August 11). †

7. It is I think possible that until recently Khrushchev seriously thought his thermonuclear threats to UK, France, Italy and various minor Western allies might show up weakness in Western cohesion and even disintegrate Western grouping. Conceivably he thought this might perhaps give him possibility of diplomatic victory to announce at Party Congress later this month. He must now have realized that no repeat no diplomatic victory can be obtained by then, and may also have concluded that public Soviet rocket rattling had been somewhat counter-productive and had tended to unify Western camp and steel Western determination to defend Berlin, and to rally American public opinion behind strong line by Kennedy. This I think would be belatedly realistic and well informed assessment by Khrushchev, who I think tends by nature to overestimate his strength, underestimate Western cohesion, and to gamble providing he has possible line of retreat always open. It seems that under circumstances the present ambiguous situation is about what Khrushchev considers most desirable of those now practically obtainable, as background atmosphere for Party Congress, in which I suspect his main emphasis will be placed on domestic problems and plans, and in which he will seek a free hand in foreign policy field for offering negotiations but determination to "draw line under results of World War II."

8. My impression is that while we are very far from out of the woods, Soviet tactics are relatively flexible. Soviet objectives are far-reaching but they are still probing to see how much they can obtain. They still seek one-sided concessions. But providing West keeps its nerve and realism, and providing miscalculations are avoided (which we cannot repeat not take for granted), we may get realistic, balanced and even useful negotiations. But I think we should not repeat not make one-sided concessions of substance merely in exchange for Soviet agreement not repeat not to interfere with physical status quo (i.e. access to Berlin). We must continue therefore to make it clear and credible that West will use force if this proves to be only way of defending existing freedoms of Berliners.

9. Meanwhile we may have a lull until Party Congress, but either soon thereafter, or if negotiations are prolonged then perhaps only after some months, a more dangerous and critical period seems likely. Incidentally the Warsaw Pact manoeuvres scheduled for October and November may be designed to improve Soviet military posture and step up possible military threat and tension in some weeks time.

10. But I think broad and far-ranging negotiations may conceivably become possible and worthwhile. A very interesting development, it seems to me, is the publication in yesterday's *Pravda* proposing a wide range of partial disarmament or disengagement agreements. Unless this is merely designed for propaganda appeal for General Assembly purposes, it suggests that Khrushchev may be contemplating possibility of negotiations during next few months on partial disarmament and disengagement topics as well as on German question itself. This would be in line with suggestions frequently made by German Ambassador Kroll, and quite contrary to position taken up earlier this year by Khrushchev of categorically rejecting Bonn's concept of merging consideration of German problem and disarmament. While some of suggestions in Soviet memorandum published in *Pravda* yesterday are old hat and obviously full of dangerous jokers, from Western viewpoint, some other ideas are I think worth serious consideration. I shall however be commenting on them in a separate message.†

ARNOLD SMITH

278.

A.D.P.H. Vol. 1

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
à l'ambassadeur aux États-Unis*

*Permanent Representative to North Atlantic Council
to Ambassador in United States*

TOP SECRET AND PERSONAL.

Paris, October 6, 1961

Dear Arnold,

I read your letter of September 18 and annexes† with great interest.

I do not disagree with your conclusions (paragraph 9 of your telegram No. 2882 of September 14)† that "Stikker's impression of United States assessment (and attitude) is seriously in error." I don't know enough about the situation in Washington to form a judgment nor am I disposed to participate in a discussion as to whether the expression "on the brink of atomic war" used in public by Mr. Green describes the present situation more accurately than Stikker's expression of "five minutes to twelve" said in private after his visit to Washington. I do however share Stikker's view that the atmosphere as reflected in Council appears to be very different from that in Washington and – for that matter in Ottawa, at least at budget time on the Hill.

I think it would be wise of us at this stage to realize that Western Europe will not face up to nuclear destruction for Berlin. I am even coming to the view that, generally, it will not fight for Berlin. We are faced with a complex situation where one of the leading members of NATO, France, is taking the toughest position in the Western alliance, not because of its strength but because of the glory of its leader. We should not be misled however in thinking that he can get the French off the ground. Such an adventure at this time would be worse than the catastrophe of 1940.

The British are more realistic and more representative of European public opinion. Notwithstanding the brave words of Lord Home, they will insist on negotiation over Berlin. Add to this that the Belgians have notified us that they will go a long way on the road of accommodation, that the Italians cannot even think in terms of mobilization because of their Communists, that the West German attitude is more puzzling than comforting, and it is easy to come to the conclusion that there is no general feeling in Western Europe leading to war over Berlin.

The real deterrent, the only military strength in Western Europe at the moment, is the presence of United States forces and a considerable amount of nuclear power at the disposal of those forces.

There are new factors at play in Western Europe: the "homo economicus," a relatively new species, wishes to protect what he has; there is a growing realization of the uselessness of it all if atomic power is to be used (Western Europe is not shelter conscious); the profound moral dislocation which the last war has created is still very much alive in the generation that normally would be called up to fight. de Gaulle is right when he says that the French Army would not be a good army if it were internationalized to serve under a NATO flag; he is wrong in thinking that it would fight better under a French flag for Berlin. He is not even sure of his generals.

This aloofness need not prevent the United States from taking a firm stand nor for that matter from seeking and indeed obtaining support for such a stand from Western leaders and governments. This is in the realm of words however. If the sequence of events is from forceful declarations by all Allies to the use by the United States of atomic weapons, then the present situation makes sense; if the forceful statements are to be followed in Europe by a very tense and fairly long period involving mobilization and serious sacrifice on the part of the population, we should be clear that we are in for a shock.

These comments give the impression that the Alliance is rather shaky. This is partly true. The Western Europeans are neither geared to a conventional war nor to atomic destruction. But the Americans have built up considerable power and this may be sufficient to keep the Soviets at bay and the Western Europeans in harness.

It would be good to discuss all this with you.

I am sending copy of this letter to Norman [Robertson].

Yours sincerely,

JULES [LÉGER]

279.

DEA/50341-40

*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 S-437

Ottawa, October 11, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: London, Washington, Paris, NATO Paris (Priority), Permis New York, CCOS.

By Bag from London: Berlin, Moscow.

GERMANY AND BERLIN

The Prime Minister has approved the following paper on Germany and Berlin for your guidance while discussing the Berlin crisis with Foreign Minister and other ministers of West German Government upon your return. To assist you in these discussions, following points have been drawn up on basis of statements made by the Prime Minister and myself about the Berlin problem.

2. German Government officials will be aware from reports German Embassy here has submitted of the great interest Canadians are taking in Berlin problem. They will be aware that Canadian public has been asking, what are Canadian commitments in Berlin? What are possible peaceful solutions to problem of Berlin?

3. In public discussions in Canada there seems to have been little dissent from point made by Prime Minister that West is unreservedly committed to freedom and security of people of West Berlin, to unrestricted access to city, and to right of three Western powers to maintain troops in West Berlin.

4. On the other hand, public discussion seems to have revealed that there are various points which could be regarded as negotiable. It is, of course, difficult, as German ministers well know, to define public opinion with any hope of great accuracy. However, many Canadians clearly believe that well prepared Four Power negotiations can lead to a satisfactory settlement and that the sooner such negotiations begin, the more satisfactory to the West any settlement will be and the less will be the risk of war.

5. To obtain guarantees of essentials, it appears to be general Canadian view that the West should be ready to move away from traditional stands such as those which maintain that Western position in Berlin should continue to be based upon rights of conquest or that question of Germany's borders must await reunification.

6. The Prime Minister and I have outlined what Canadian Government considers to be non-negotiable elements in Berlin problem and some of the considerations which might be borne in mind when peaceful solutions are being reviewed.

7. To accept without guarantees the Soviet plan to turn over control of access to West Berlin to East Germans would place the West Berliners at mercy of the GDR. Moreover, retreat in Berlin would mean that pledged word of the West would be called in question everywhere in the world. The Berlin problem must not, therefore, be seen solely as a German problem but rather in the light of its implications for free world as a whole.

8. The Canadian Government believes that West should maintain a flexible negotiating position. Any final solution is bound to contain elements distasteful to NATO members, particularly Federal Republic of Germany, as well as features unpalatable to USSR. At the

same time, the Canadian Government accepts need for a united and determined stand on the part of NATO, a stand which includes military preparations for all possible contingencies and which demonstrates Western determination to stand by its pledges.

9. Question of possible solutions to Berlin problem is, of course, extremely complex and needs constant review in light of changing circumstances. The Canadian Government is no more in a position to advance final solutions than any other NATO member is. However, it has attempted to explore various avenues leading to possible Four Power Agreement (which is, of course, a precondition of any satisfactory solution).

10. One such avenue is the UN, possibly arrangements for the whole of the city or, failing that, for West Berlin alone. It would, of course, be difficult to persuade the USSR to agree to any international arrangement covering East as well as West Berlin. However, there is value in putting forward a plan for the whole of the city as a negotiating position.

11. One such plan might call upon the Four Powers to transfer their sovereignty over Berlin to the U.N. pending unification of Germany when Berlin would again become the capital of Germany.

12. The transfer to U.N. of sovereignty over Berlin would of itself end occupation status of Berlin and terminate all rights and obligations flowing from that occupation status. Henceforth the rights and obligations of the Four Powers with respect to Berlin would be derived from new agreement between them.

13. The transfer to the U.N. of sovereignty over Berlin would also, of course, internationalize Berlin. In addition there might be a U.N. presence in Berlin. This might consist at least of a U.N. High Commissioner in Berlin, token U.N. forces, and U.N. observers on access routes and in Berlin to verify that the Four Power Agreement on Berlin was being implemented.

14. Western troops would remain in Berlin until either the people of Berlin requested their withdrawal or the Four Powers agreed to withdraw them. This might well mean that the USSR would also have right to maintain forces in Berlin.

15. The Four Power Agreement should set forth clearly rights of access to Berlin over GDR territory. Perhaps operation of access routes could be observed by U.N. representatives or a U.N. agency might at least be given right to establish fair and reasonable tolls for use of routes and to help settle disputes arising over their use.

16. The foregoing outline is a package plan which might not be acceptable as a whole. It is, however, possible to contemplate various more limited roles, should it not be practicable to secure transfer of Berlin's sovereignty to the U.N.

17. The Four Power Agreement should provide that all Germans should have right to visit Berlin. Soviet Government may not agree to this if it means that Berlin can once again become an escape hatch from East Germany to the West.

18. A free city state of Berlin could be declared neutral. This means it could not join any military or political alliance. But it should have power to enter into economic, social and cultural agreements with other countries. This might permit it to be associated with West German customs and monetary union.

19. The Four Power Agreement on Berlin could be embodied in a U.N. statute which would be adopted by Security Council and General Assembly of U.N. and be approved by people of Berlin. The statute should provide that it could neither be terminated before Germany is unified nor be amended except with approval of people of Berlin and of Security Council. This would mean that it could not be terminated or amended except with approval of all Four Powers.

20. It seems probable that Soviet Government would agree to such a settlement on Berlin only if it were part of a package deal, net effect of which would be to stabilize situation in

Eastern Europe. If in the course of negotiations it became clear that USSR would not repeat not agree to such an arrangement for the whole of the city, some elements in it might apply to West Berlin alone.

21. The West, for instance, might explore possibility of a compromise providing for freedom of movement between East and West Berlin and a joint administration of such civic services as electricity, water, sewage, transportation, telephone, fire. A U.N. High Commissioner, responsible to the Security Council, could preside over a consultative council composed of representatives from the two Berlins. He would confirm that the provisions of the agreement on Berlin were being implemented. Under this compromise proposal Western troops would remain in West Berlin but no repeat no Soviet troops would, of course, be allowed there. Western access over GDR territory would be precisely defined and the UN might be of assistance in this respect.

22. The USSR has made much of allegations about nuclear armament of the Federal Republic and of West German "militarism and revanchism." At present NATO decisions on the positioning of MRBMs in Western Europe have been deferred. This circumstance, though not repeat not stemming from Berlin situation, might provide an opportunity for consideration whether, in any Four Power negotiations on Berlin, Russians might not repeat not yield something of substance in exchange for assurances that MRBMs would not repeat not be based in Western Europe, including the Federal Republic. If, as part of such a bargain, Russians were asked to agree to refrain from stationing MRBMs on their side, it would be essential that they accept suitable controls.

23. (For information addressees: This telegram was drafted when our Ambassador in Bonn was recently on leave in Ottawa. It is being sent to you for information and comments only. You should not repeat not discuss it with the Government to which you are accredited without my prior approval.)⁴⁹

[N.A.] ROBERTSON

280.

DEA/50341-40

*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 2655

Paris, October 15, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel S437 Oct [11].

Repeat for Information: London, Washington, Paris, CCOS Ottawa, Bonn (Priority).

By Bag Berlin, Moscow from London.

GERMANY AND BERLIN

After reading my telegram 2653 October 14† reporting on Council discussion yesterday I think you will agree that Canadian views as outlined in your reference telegram will have to be focussed differently if they are to have maximum impact on next round of deliberations here. I

⁴⁹ Note marginale :/Marginal note:

See memo dated Oct. 18/61† on this file & also tel. S-448 of Oct. 19/61. † In view of comments received from our NATO delegation, the Minister decided on Oct. 18/61 to instruct the Ambassador in Bonn (Mr. Reid) to defer any action on S-437 for the time being. [Auteur inconnu/Author unknown]

very much hope therefore that no repeat no "piece of paper" will be left with Foreign Office in Bonn or any other capital at this stage. Even if all possible precaution is taken (paragraph 10 reference telegram) such a document will find its way to many capitals and be labelled as the "Canadian plan." In reviewing the situation following comments may be of assistance.

(a) Western Rights in Berlin

2. In paragraph 3 reference is made to the point made by Prime Minister that "West is unreservedly committed ... to right of Three Western Powers to maintain troops in West Berlin." Paragraph 5 partly reads "it appears to be general Canadian view that West should be ready to move away from traditional stands such as those which maintain that Western position in Berlin should continue to be based upon rights of conquest ..."

3. Rights of Three Western Powers to maintain troops in West Berlin derive from their rights of conquest. One will go with the other unless a new arrangement is negotiated. For the moment French refuse to consider alternative. West Germans support them. Until an alternative has been found that proves acceptable to the Alliance I suggest that West must hold to what it has, in other words to hold to position outlined by Prime Minister referred to earlier. Alternative arrangement is likely to prove acceptable to Washington and London earlier than to Paris and Bonn. USA and UK should be warned and preferably convinced first of wisdom of any course of action we intend to take if exercise is to be productive.

(b) Germany's Border

4. Only comment on this issue is in paragraph 5 where it is suggested that West should be ready to move away from "traditional stands such as ... that of question of Germany's border." In view of importance of this question Canadian position will have to be further developed.

(c) UN Role

5. Canadian views on the role of UN (paragraphs 10 to 21) will be very helpful in future discussions here. We would welcome clarification on following issue:

(i) It is taken for granted here that USSR will not repeat not agree to any arrangement either under UN control or otherwise for the whole Berlin and that realistically discussions should centre on West Berlin only. UN scheme for all Berlin, outlined in paragraph 5 under reference, is unrealistic when applied to West Berlin only. Indeed this is already foreseen in paragraph 16 reference telegram.

(ii) No repeat no reference is made to the transfer to West Berlin of UN agencies. Has proposal been overlooked or are we now opposed to it? It is likely that matter is to be mentioned very shortly in Council and it would be helpful to have your views.

(iii) Transfer of sovereignty over Berlin to UN, as outlined in paragraphs 11, 12, 13 and 14, is not repeat not acceptable to several members of Council. In any event major modifications will have to be made if arrangement is for West Berlin only. Some intermediary formula will have to be thought out. Too exclusive a role for UN at the expense of the Four Powers may not repeat not necessarily create a healthier situation in Europe. I am not repeat not making a case for maintenance of occupation rights but I think it would be going too far too fast to press that such rights be immediately and completely transferred to UN. This is not repeat not necessarily in the interest of the West. Further, UN may not repeat not be equipped nor ready to assume such responsibility. Even if we do not repeat not like it we cannot repeat not ignore that one of the main parties to the problem, France, has no repeat no use for UN and that another one, Germany, is not repeat not even a member of the UN. In circumstances intermediary formula will have to be devised.

(d) Military Dispositions

6. Your paragraph 22 concerns NATO's military dispositions. It is somewhat misleading to suggest that "NATO decisions on the positioning of MRBMs in Western Europe have been deferred." MRBMs are already in position in Western Europe e.g. in Italy, Greece, Turkey and UK. It is not repeat not these MRBMs but the MRBMs proposed in General Norstad's force goals for the end [19]66 period which are under discussion. There has been a suggestion from USA that decision on these particular MRBMs be deferred. You will note from our recent reports however that German delegation has opposed this deferral. Other delegations, while not repeat not taking such a direct stand as Germans, have gone on record that their support of deferral of a decision is not repeat not to be taken as an indication that their governments would eventually decide against the provision of these MRBMs. USA delegation has indicated that a similar view prevails in Washington. All that can be said at the moment therefore is that the provision of additional MRBMs for Western Europe remains under consideration.

7. Later in the paragraph mention is made of "assurances that MRBMs would not repeat not be based in Western Europe." Whatever may be the eventual decision with respect to the additional MRBMs request by SACEUR there will still exist the problem as to whether or not repeat not those countries in which MRBMs are now stationed would or should give them up. It should be borne in mind as well that USA, already had assigned a sea based MRBM, the Polaris, to duty off Western European shores and plans to assign further such Polaris to this general area. These MRBMs will eventually pose the same threat to USSR as would be posed by land based MRBMs in Europe. We think it highly unlikely that USA would agree to bargain away these MRBMs at least until its long range missiles can take over the same functions.

8. If then there is any likelihood of an exchange of agreements with respect to MRBMs it would at least in initial stage only be possible to consider the additional MRBMs requested in SACEUR's most recent force proposals. MRBMs already positioned in Europe and Polaris would be excluded. We do not repeat not see much likelihood of a European agreement even with this limitation. In this context the phrase "on their side" used in your telegram with respect to Russian restraints presents real difficulties. USSR by reason of its geographical position can from Russian heartland reach Europe with short range missiles. On the other hand USSR cannot repeat not be reached with the same type of missiles from USA, the main base of Western missile strength. Hence the requirement for the strengthening of SAC forces, speed up of USA long range missile programme, the development of Polaris and finally stationing of MRBMs in Europe. It would be our preliminary view that any bargain along lines of that suggested in paragraph 22 of your telegram would have to include restraints on Russian positioning of MRBMs well into Soviet heartland. This would bring us far on the road of disarmament but the road has yet to be built.

9. In summary then it appears to us that there is no repeat no reasonable basis for assuming that a bargain involving a prohibition on the stationing of MRBMs on both sides of the Iron Curtain can be struck at this time. In this general context it seems to us that one of the bases for negotiations and on which we think should be discussed very soon would be along the lines of

General Norstad's proposals for an inspection and control scheme to reduce the danger of surprise attack in Europe made originally in 1957 and brought up to date in January 1960.⁵⁰

[JULES] LÉGER

281.

DEA/50191-E-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 631

Bonn, October 19, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 621 Oct 17.†

Repeat for Information: London, Washington, Permis New York, Paris, NATO Paris, PCO Ottawa from Ottawa, CCOS, DM/DND from Ottawa.

By Bag Moscow, Berlin from London.

GERMANY AND BERLIN: INTERVIEW WITH BRENTANO

In my half hour interview with Brentano yesterday afternoon, October 18, I spoke along the same general lines as I had to Carstens, emphasizing UN aspects. In the light of Carstens' reaction I left out reference to the idea about all Germans having free access to Berlin. I took special care when mentioning moving away from traditional stands on rights of conquest in Berlin and on the Oder-Neisse line, to emphasize that I was talking about an assessment of Canadian public opinion not repeat not of government thinking. When I went on to talk about the approach of the Prime Minister and yourself to an accommodation on Berlin I emphasized that I was not repeat not talking about government policy but about ideas the government considered worth exploring. When I came to the role UN might play I said I had been most interested to learn that Berg had the day before publicly urged the internationalization of the access routes to Berlin which would involve UN participation. (Fritz Berg is the influential Head of the German Federation of Industry.)

2. Brentano said he was very happy to have this elucidation from me. He had read with great interest the speeches by the Prime Minister and yourself and was in fundamental agreement with the line which had been taken. These speeches had been very helpful. He then went on to express his own views on three main issues, in each case emphasizing that he was expressing his personal views but adding that he thought that these would also be the views of the German Government.

3. He also made clear that what he was talking about was a fall back position and that Germany could accept the three concessions he mentioned only if they formed part of an agreement in which each side had made equal concessions.

4. The three points were

⁵⁰ Voir/See *Foreign Relations of the United States, 1958-1960*, Vol. IX (Washington: United States Government Printing Office, 1993), document 132.

Notes marginales :/Marginal notes:

Minister to see. 16/10 [Auteur inconnu/Author unknown]

At SSEA[']s request, phoned [Norman Robertson] 16/10 from airport to ask that a tel be sent by fastest means, instructing Reid to withhold action on 2655 [sic] until further notice. Also asked that H.B. R[obinson] draw this tel to PM[']s notice. R. C[ampbell] 16/10

(1) *Possible New Legal Basis for Berlin*. He was prepared to have the West negotiate on a new legal basis for Berlin under which the original occupation rights for Berlin would be replaced by a multilateral agreement.

(2) *Oder-Neisse Line*. Germany recognized that there could be no repeat no change in the Oder-Neisse line until a free Germany is a neighbour of a free Poland. Moreover he believed that Khrushchev would not repeat not pay one cent for German recognition of the Oder-Neisse line. Nevertheless he was prepared if necessary to agree that Germany would renounce the right to any change in the Oder-Neisse line unless this change was the result of a freely negotiated understanding between a free Germany and a free Poland which to be effective would have to be approved by the Allies and UN and would be guaranteed by the Allies and UN. He said that by making such a renunciation Germany would be going even further than if it were to recognize the Oder-Neisse line *de jure*.

(3) *UN*. He picked up the point I had made about the responsibilities which a UN High Commissioner might have over the whole of Berlin even though the city remained divided (paragraph 21 of your telegram S-437 of October 11). He said that theoretically a solution was conceivable under which a UN High Commissioner for the whole of Berlin would initially supervise the two separate parts of Berlin and that gradually, as time went on, lines of communications would be established between these two parts.

5. He agreed that it had been a great mistake of many Western spokesmen to refer publicly to a settlement of the problem of West Berlin. They should most certainly refer to the problem of Berlin. Brentano, like Carstens, appeared to be prepared, as part of a price for a free united Berlin, to have the sovereignty of Berlin vested in UN pending the unification of Germany.

6. At the end of our talk Brentano made clear that what he was expressing was his approach to a fall back position and it was essential that the other side not repeat not learn of Western ideas on fall back positions. He ended his exposition by saying that if negotiations were opened with USSR with these objectives in mind Germany would not repeat not oppose; it was the results which would be decisive. There was not repeat not time for me to seek an elucidation of this caveat.

7. I said that I knew the Prime Minister and you would be most grateful to him for his frankness in speaking to me and that we would consider that the views he had expressed were, for the time being, between ourselves.

8. I shall later be sending you my views on the significance of the reaction of Brentano and Carstens to the probing inherent in my exposition of Canadian thinking.

9. It would, I suggest, not repeat not be helpful, for the present at least, to pass on to other governments what Brentano and Carstens have said.

[ESCOTT] REID

282.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], October 23, 1961

Present:

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),

The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Secretary of State (Mr. Dorion)
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

...

BERLIN; POLICY CONCERNING ECONOMIC COUNTER MEASURES
 (Previous reference Oct. 12)

14. *The Secretary of State for External Affairs* referred to a proposal being examined by the N.A.T.O. Council that member governments should take the necessary action immediately to enable them to carry out concerted economic counter-measures against the Soviet bloc should access to West Berlin be stopped.

He felt the proposed counter-measures would have a more disadvantageous effect on Canada than on most other N.A.T.O. countries from the point of view of trade and credit arrangements. Only Turkey, Greece and Iceland would stand to lose more in these respects.

The Canadian government had been asked,

- (a) its views concerning the usefulness of economic sanctions;
- (b) whether Canada would participate if such sanctions were to be concerted;
- (c) whether it felt the situation would warrant a total automatic embargo against the Soviet Union;
- (d) whether it had the power to apply these measures or would take action to obtain such power;
- (e) whether it considered that a threat to apply economic sanctions should be announced in advance;
- (f) whether it was agreeable to provide economic assistance to those countries adversely affected by the imposition of economic counter-measures.

He added that Canada had also been asked whether it would agree to certain economic measures in case of a partial interference with access to Berlin.

An explanatory memorandum had been circulated, (Minister's memorandum, Sept. 6—Cab. Doc. 344-61).

15. *During the discussion* the following points were made,

- (a) Some said the government could [not] invoke the War Measures Act unless it was felt at least that a state of war was apprehended.
- (b) Others said that they did not think economic counter-measures would be effective.
- (c) It was said that, the N.A.T.O. Council was not being given much information by Great Britain, France and the United States about the military steps they proposed to take if access routes were closed.
- (d) It was revealed that there was a plan to send in aircraft escorted by fighters and to probe the corridor in battalion strength until opposition was encountered.

16. *The Cabinet* decided that the government should make no commitment to participate in economic counter-measures in respect of the Berlin situation until access to Berlin was denied. This would include any advance commitment in respect of the denial of air traffic rights to aircraft from Soviet bloc countries.

...

283.

DEA/50341-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Soviet Union
to Secretary of State for External Affairs*

TELEGRAM 753

Moscow, October 31, 1961

TOP SECRET. CANADIAN EYES ONLY. PRIORITY.

Repeat for Information: London, NATO Paris, Washington, Paris, Bonn from London, CCOS Ottawa, PCO, DM/DND Ottawa from Ottawa.

GERMANY AND BERLIN

As you know, USA Ambassador Thompson returned to Moscow last Wednesday. I had dinner with him that night and further talk two days later. Contrary to press reports he did not repeat not bring back instructions to undertake further exploratory talks at this time with Russians on possible basis for an agreement on Berlin. His government decided that he should begin these talks only after they had sent him new instructions which would be based on discussions Americans hoped to have with Germans in the near future. I understand USA Government considered it essential to make a further effort to get a concerted position agreed not repeat not only with UK but with Adenauer and if possible with de Gaulle. Americans were of course exasperated by de Gaulle's obduracy on procedure "which might make sense if we were all dictatorships but not repeat not otherwise," but they believed that the key to bringing around de Gaulle would lie in first getting American agreement with Adenauer. Meanwhile this has of course been delayed by the difficulties in getting formation of a new German Government.

2. Thompson told me that his government was not repeat not now disposed to put too much pressure on FGR, or to force them to accept concessions which in their judgment might not repeat not be wise. The one exception to this was that Americans are prepared, providing suitable agreement on other points can be found, to offer recognition for Oder-Niesse line, even if Germans refuse this point. On the question of status of Berlin Americans foresaw great difficulty in getting Germans to agree to forego the position, enshrined in FGR constitution, that West Berlin has representation within FGR political structure, which would be difficult to get around if the occupation status should lapse. But Thompson thought USA would press Germans hard on this, which he thought they had a right to do so long as it was Americans who had to bear the brunt of local defence in West Berlin. Thompson was interested in the possibility of some UN status for West Berlin but as I say doubtful that Germans would accept it.

3. Thompson said Americans intended to insist that an agreed solution should include provision for a controlled autobahn for Western access rights to West Berlin.

4. Thompson said Americans did not repeat not now intend to accept discriminatory limitation on West German armaments. Some safeguards against surprise attack might be possible. So might an agreement with USSR that Western nuclear powers would not repeat not

give nuclear weapons (i.e. warheads) to Germans. This latter would have to be balanced by a corresponding undertaking by Russians not repeat not to give nuclear weapons to China. Thompson was doubtful that China would be willing to go along with a self-denying undertaking not repeat not to produce or acquire nuclear weapons. But he thought that unilateral declarations by USA, UK, France and USSR not repeat not to pass nuclear warheads to non-nuclear powers might suffice.

5. At various times in past few months Thompson has mentioned to me that he thinks a non-aggression pact between NATO and Warsaw Pact might in last analysis prove acceptable to USA and other Western governments and might be very welcome to USSR and make it possible for Khrushchev to accept a reasonable compromise agreement.

6. But on the whole Thompson was not repeat not very optimistic that FGR would accept terms that would make any formal agreement with Russians possible. We might therefore come down to what he called "Solution C," a declaration by DDR after separate peace treaty with USSR that they would allow Western access to West Berlin to continue as hitherto, and a declaration by USA and other Western powers that they would allow East German personnel to carry out those control or checking practices hitherto carried out by Russians.

7. Last Friday Sir Frank Roberts, UK Ambassador, returned from consultations in London with instructions completely inconsistent on timetable and procedure to the instructions given to Thompson. Roberts had detailed instructions to conduct discussions with Gromyko in support of discussions which UK Government erroneously understood or assumed Thompson would be undertaking forthwith with Gromyko. UK Government had not repeat not expected Thompson to wait for German and French acquiescence. Roberts has therefore had to wire his government that his instructions will have to be reconsidered in view of USA position.

8. I had a long talk also with French Ambassador de Jean, who makes it clear that he personally, and I gather also Laloy and Couve de Murville, are unhappy at de Gaulle's refusal to participate in discussions on this whole question with USA and UK. De Jean too hopes de Gaulle will be brought around after the projected Adenauer-Kennedy talks.

9. Meanwhile, as you know, last weekend the whole situation was complicated by increased tension in Berlin caused by DDR demands that American and French civilian officials show their passes. Thompson called on Gromyko to protest this, but tells me he had a very rough time indeed. Gromyko put in a counter protest, and I understand based his case on insistence that Americans would have to recognize East German sovereignty on this question. In Thompson's view this Soviet position, if persisted in, would make an agreement on the bigger question of the status of West Berlin and its access much more difficult, and indeed may well make agreement impossible. Thompson tells me American Government is not repeat not now at all disposed to give anything in the way of very substantial *de facto* recognition to DDR.⁵¹

ARNOLD SMITH

⁵¹ Note marginale :/Marginal note:
Seen by PM. [auteur inconnu/Author unknown]

284.

DEA/50341-40

*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 7, 1961

BERLIN: ECONOMIC COUNTER-MEASURES

The sense of the Cabinet's decision on October 23 to make no commitment to participate in economic counter-measures in respect of the Berlin situation, including any advance commitment to deny air traffic rights to Soviet bloc aircraft, was conveyed by Mr. Léger to Mr. Stikker, the Secretary-General, prior to the Council Meeting on October 31. You are already aware that Mr. Stikker was very disturbed about the Canadian decision and asked that you be informed of his concern.

2. I now wish to report on subsequent developments.

3. Among other things, the Council considered the following three special civil aviation counter-measures:

- (1) Closure of NATO airports to Soviet bloc aircraft,
- (2) Prevention of transit overflights and technical stops by Soviet bloc aircraft in NATO countries,
- (3) Prohibition against NATO country aircraft calling at Soviet bloc airports,

and all member countries except Canada agreed to accept these for planning purposes. In the discussion of Canada's position, Mr. Léger pointed out "that there were two political decisions to be taken. The first had to be taken now in subscribing to the draft decision and the second at the moment of a crisis. I considered that there was an important difference between the Canadian position and the position of the other governments of the alliance in that Canadian authorities were not prepared to take the first decision at this time. I went on to say that I did not believe Canadian authorities would wish this to be considered as a veto and that I hoped Canadian authorities would also be prepared to continue to cooperate in planning within the alliance. On this last point I told Council I would have to seek further instructions."⁵²

4. I should be grateful for your guidance on what instructions should be sent to Mr. Léger on this point.

5. The present situation is that Council has adopted the decision on the three civil aviation counter-measures and has agreed to leave the further study of the implications of the Canadian reservation to private conversations between the Secretary-General and Mr. Léger.

6. The Council also considered the interim report of the Working Group on partial economic counter-measures. Except for the Canadian and Portuguese, all delegations were able to reply, and it now seems clear that most governments are prepared to agree in principle to the imposition of partial counter-measures in the event of a blockade of West Berlin, and the majority of governments either have or are in the presence of acquiring the legal powers to do so.

7. Meanwhile, this Working Group is under a two-week deadline to assemble from member countries written replies to a list of questions about partial economic counter-measures, and

⁵² Note marginale :/Marginal note:
OK. [Howard Green]

Mr. Léger has enquired whether, in the light of your wish not to make a written response to the list of *basic* questions, he should or should not submit a written statement of the factual situation, quite divorced from the questions of policy or intention. To assist you in considering this I have annexed the list of basic questions together with draft replies,† should you decide to authorize Mr. Léger to submit them; I see some advantage in following this course.⁵³

8. I would also report that Mr. Stikker has already held some discussions with Mr. Léger on the broad implications of the Canadian position. You have seen telegram No. 2859 of November 1 (attached)† indicating that he is working on the text of a draft decision on the question of a total blockade under which Council would agree “to meet to decide, as appropriate, and acting with the guidance of governments, what action would be taken.” Mr. Stikker thought that this text should go a considerable way towards meeting the Canadian Government’s preoccupations, and he is seeking to clear it with the British and American Delegations. I should appreciate your comments on this suggestion.⁵⁴

9. Mr. Stikker also thought that his suggested formula could apply to civil aviation partial counter-measures if this would facilitate acceptance by the Canadian Government of Council’s decision. This point would naturally have to be cleared at a later stage and approved by Council since it would require the amendment of the decision already agreed upon by all countries except Canada.⁵⁵

10. Little progress is being made in the study in the Committee of Economic Advisers on mitigation of the economic impact of an embargo. Discussion will be resumed on November 9, and Mr. Léger has also asked for instructions on the extent to which the Delegation can continue to cooperate in the detailed work on economic counter-measures, within the terms of the Cabinet’s decision. I should welcome your views on what guidance should be given to Mr. Léger on participation in the study on mitigation of economic consequences for countries like Greece and Turkey.

11. You may also wish to bear in mind that the subject of economic counter-measures will almost certainly be raised and discussed by the NATO Ministers in the course of the December meeting.⁵⁶

N.A. R[OBERTSON]

⁵³ Note marginale :/Marginal note:
OK. [Howard Green]

⁵⁴ Note marginale :/Marginal note:
This seems to be O.K. if “guidance” altered to “approval or instructions.” [Howard Green]

⁵⁵ Note marginale :/Marginal note:
No. [Howard Green]

⁵⁶ Note marginale :/Marginal note:
We are not in a position to participate in any such play. [Howard Green]

285.

DEA/50341-40

*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 9, 1961

GERMANY AND BERLIN

Attached for your initials, if you agree, is a memorandum to the Prime Minister about a letter which he may wish to send to President Kennedy about the forthcoming visit to Washington of Dr. Adenauer.⁵⁷

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre
au président des États-unis*
*Prime Minister
to President of United States*

SECRET

Ottawa, November 10, 1961

Dear Mr. President,

It has been with interest and pleasure that I have learned of the visit to Washington of Dr. Adenauer on November 20-21. I am sure that during your talks with him, you will be discussing the Berlin problem and in particular, whether to negotiate at this time with the USSR and, if so, what the Western position should be. During your conversations, you will probably have in mind the message which the North Atlantic Council has decided to send to the Ambassadorial steering group in Washington.

You will recall that the message from the North Atlantic Council urges that negotiating positions be developed as soon as possible and that they be aimed at an understanding with the Russians about access rights to Berlin and the status of the city. The Council also agreed that negotiations begin as soon as possible and that, to this end, contacts with the Russians should be resumed.

I am in full agreement with this decision of the North Atlantic Council. It seems to me that opposition to negotiations with the Soviet Union over the Berlin problem is both untenable and even dangerous in the long run. Time appears to me to be against us. The policy of attrition of Western rights in Berlin which the East German régime has already embarked upon will likely continue until negotiations begin or until a truly dangerous situation occurs between Western and Soviet troops in Berlin.

Naturally we are concerned about the implications for West Germany of approaches to the Soviet Union which may involve the fate of Berlin and of Germany itself. Similarly, we

⁵⁷ Notes marginales :/Marginal notes:

I. Minister: The Under Secretary had doubts about this as a communication at P.M. level, but thought something like it might usefully be said by Heeney to the State Dept. R. C[ampbell] 14/11.

II. Not signed. SSEA agrees with USSEA's judgement. R. C[ampbell] 15/11

recognize that a distinction must be made between essential Western interests which are not negotiable and initial tactical positions. Nevertheless, it seems to me that German and Western interests generally should be at one in ensuring that there is sufficient flexibility in the Western position to allow reasonable prospects of success in negotiating improvements in the Berlin situation. I hope that, as we approach negotiations, this flexibility will not disappear and that we do not become increasingly inhibited in our concepts of what is negotiable and what is not.

With best personal wishes,

I am,

Yours sincerely,

[non signé/unsigned]

286.

DEA/50341-A-2-40

*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-1521

Ottawa, November 22, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 2787 Oct. 25.†

Repeat for Information: CCOS, DM/DND (OpImmediate), Washington, CJS Washington, Permis New York, London, Paris, Bonn, Brussels, Hague, Rome (Priority).

By Bag Ankara, Athens, Copenhagen, Oslo, Lisbon from London.

NATO PLANNING FOR BERLIN

The Prime Minister has approved the following comments in relation to the Secretary-General's paper PO/61/809 which we understand will be up for discussion in the Council in the near future. These comments are based on the assumption which appears to be made in the Secretary-General's paper (paragraph 6) – that, in regard to any decisions to be taken in respect of NATO plans which are drawn up, the “rule of unanimity for NATO action is the present position.”

2. It is clear from Mr. Stikker's paper, as far as NATO planning for Berlin contingencies is concerned, that the reference to “political authorities” in paragraph 6 of Annex B should be interpreted as referring to the NATO Council as an instrument for conveying the decisions of governments. In addition, the “specific political decision” referred to in paragraph 6(d)(3) and the approval and implementation procedures in paragraphs 7 and 8 are interpreted by Canada as meaning that all plans before implementation have to be approved by governments and that the execution of approved plans will be “the subject of decisions by governments at the time.”

3. For the purpose of dealing with military planning in connection with the Berlin situation, it is important that it is clearly understood that the final responsibility both for approval of plans and for decisions to implement them should rest with governments who will express their views through their permanent representatives in the NATO Council and that no delegation of governmental authority in such crucial matters can be contemplated. Provided this is understood, Canada can accept the interpretation placed on these paragraphs by the Secretary-General.

4. Bearing in mind the conclusion in the Secretary-General's paper that "it is in the Council that the will of governments will be expressed by the permanent representatives," we believe that the Council should consider what measures are required to enable it to deal effectively and expeditiously with such important questions in the event of an emergency.

287.

A.D.P.H. Vol. 1

*L'ambassadeur aux États-Unis
au représentant permanent auprès du Conseil de l'Atlantique Nord
Ambassador in United States
to Permanent Representative to North Atlantic Council*

TOP SECRET AND PERSONAL.

Washington, November 22, 1961

Dear Jules [Léger],

I never did answer your very interesting – and sobering – letter of October 6 which was stimulated by Stikker's reports of the Washington atmosphere when he was here.

It seems to me that, despite the active diplomacy in many places since your letter was written, the situation has really changed remarkably little since you wrote. While it would seem from this vantage point that the NATO countries are inclined somewhat to take the imminence of danger more seriously, there remain unhappily the major elements of disarray as between Bonn-Paris, on the one side, and London-Washington on the other. Then too, Washington's current guest, the old Chancellor, is in a much weaker position and your local great man seems, on this his 71st birthday, to have lost a good deal of his support among the intellectuals and France seems almost more divided than ever.

I wish that we could have a talk but I see no immediate prospect of it. I read your messages with great interest and realize how heavy and responsible your present task is. The week before last, I was at the United Nations when Tommy Burns recorded our abstention on the resolution for prohibition of nuclear weapons. Finletter's tough words in the Council described pretty accurately what I have learned to be the reaction in top U.S. circles. Our American friends simply cannot understand why we voted as we did – or failed to – and I now see that it has been decided that we should maintain the same attitude in the plenary.

It is certainly a difficult task to hold this Alliance together. Sometimes I think the Americans will "weary in well-doing." If we can't do it when we are frightened, how can we manage when Khrushchev smiles again? It is all very difficult.

Yours ever,

A.D.P. HEENEY

288.

DEA/50341-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], December 1, 1961

BERLIN: ECONOMIC COUNTERMEASURES

The British Deputy High Commissioner, Mr. Fowler, called on Mr. Ritchie yesterday and informed him that the Four Powers intend to submit to the NATO Council the following resolution:

“The Council has decided that in the event military and civilian access, air or ground, to West Berlin is blocked, the immediate imposition of significant countermeasures amounting to a total economic embargo against the Soviet bloc would be an appropriate response. The NATO countries are planning their concerted participation in such an effort. In the event that blockage appears to be substantially complete, the Council will meet and as appropriate, acting under guidance of governments, will consider whether in fact such blockage has taken place and what the timing of the total embargo should be, in the light of all the circumstances of the moment and in support of military, political and psychological action being undertaken.”

It is not clear whether this new resolution will be discussed prior to the NATO Ministerial Meeting, but it seems likely to become the focal point of discussion on this subject at the Meeting.

2. The new resolution is said to have been accepted by Britain, the United States and France (– the Germans are expected to accept within the next few days –) apparently as a compromise following upon the NATO Council’s failure to agree on the first two “basic issues” of a total economic embargo. You will recall that when these issues were discussed in the Council a number of countries expressed reservations particularly concerning the proposal that “a total economic embargo should be applied automatically.” The British representative said that his Government would have to be consulted after the NATO Council had decided on the facts of the blocking of access to West Berlin. The Norwegian representative concurred and said that his Government would not agree in advance to suspend political judgment. The Secretary-General was instructed to search for a compromise formula and he subsequently informed Mr. Léger in confidence that he hoped to secure acceptance of a wording whereby, in the event of access being blocked, the NATO Council would agree “to meet to decide, as appropriate, and acting with the guidance of governments, what action should be taken.” You will recall that we instructed Mr. Léger to inform the Secretary-General that we could accept this formula provided that the word “guidance” was replaced by “approval” or “instructions” in order to remove any possible doubt that the Council decision could only be taken with the full approval of all member governments.

3. The resolution now proposed goes considerably beyond the Secretary-General’s formula. It involves agreement in principle that a total embargo would be an “appropriate response” to the blocking of access to West Berlin and it commits governments to that response, leaving the NATO Council to decide subsequently only on the question of whether or not the appearance of a complete blockade is in fact the situation and when the total embargo should be imposed.

4. Mr. Fowler said that his Government, which considered its basic attitude to be very similar to that of the Canadian Government, would be most interested to receive our comments on the proposed resolution. He said that his Government had come to accept the draft resolution in the realization that the United States might otherwise turn toward an undesirable emphasis on military measures alone. British representatives had made clear that their Government would not agree to a full embargo unless war appeared to be actually imminent. They stressed that the embargo should be used as a final political warning which might serve as a deterrent to the Soviet bloc countries by persuading them that the West intended to stand firm. Britain did not consider that the resolution created any binding or automatic commitment to impose a total embargo.

5. The United States was reported to have shown little enthusiasm for the resolution but to have accepted it as a compromise in the expectation that other related questions would be settled satisfactorily. In particular the United States expected all NATO members to adhere to the resolution on air traffic countermeasures. The United States had noted that the question of the degree of blockage "air or ground" described in the resolution was somewhat obscure and that the resolution contained no provision for automatic application; however, it did avoid leaving the whole problem for discussion at the time of access being blocked. (The British were interpreting the words "substantially complete" in the resolution as meaning virtually complete.)

6. The French were said to have agreed to accept the resolution if the NATO Council as a whole were prepared to accept it. The German Ambassador in Washington had not yet received instructions.

7. Mr. Fowler was informed that authoritative Canadian comments would have to wait on consultation of Ministers. However, Mr. Ritchie noted that preparatory discussions appeared to have been progressing satisfactorily in Paris and he wondered why it was considered necessary to raise again the general issues contained in the draft resolution. Commenting in a preliminary way on the text of the resolution he noted that there was some vagueness concerning the extent to which the Council would be acting under "guidance" of governments rather than under "instructions" or with "approval" of governments.⁵⁸ He also noted that the resolution was confined to a total embargo and that it appeared to confine Council discretion to the question of fact regarding blocking of access and the timing of the commencement of a total embargo. Mr. Ritchie said that his judgment generally was that we would have serious doubts and difficulties over the proposed resolution.

8. In order that we may inform our British colleagues concerning the Canadian attitude and that we may provide guidance concerning the attitude which our NATO Delegation should adopt if the new draft resolution is raised prior to the Ministerial Meeting, I should be grateful for any comments you wish to make. In particular, I would appreciate it if you would indicate whether you wish to make any further recommendations to the Cabinet on this question.⁵⁹

N.A. R[OBERTSON]

⁵⁸ Note marginale :/Marginal note:

Mr. Fowler telephoned this morning to say that London did not regard this language as delegating authority to Council. The authorization of Governments would be required. A.E. R[itche] Dec. 2/61.

⁵⁹ Note marginale :/Marginal note:

Please see my memo 4/12. R. C[ampbell]

289.

DEA/50341-A-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour la Direction économique*

*Memorandum from Special Assistant,
Office of Secretary of State for External Affairs,
to Economic Division*

SECRET

[Ottawa], December 4, 1961

Reference: Memorandum dated December 1, 1961.

BERLIN ECONOMIC COUNTER MEASURES

The Minister briefly considered the memorandum under reference on Saturday last in the light of Mr. Ritchie's explanation that if we stood pat on the instructions already sent to Léger we might find ourselves completely isolated in the Council. Mr. Ritchie pointed out in addition that the USA/U.K. draft revision of the proposed Resolution on Economic Counter Measures was not on the face of it wholly incompatible with the Canadian position and with minor adjustments might be rendered acceptable.

2. The Minister agreed that a Memorandum to Cabinet might be prepared which in essence would authorize Mr. Léger to go along with a redrafting exercise in NATO, perhaps based on the USA/U.K. draft, provided Mr. Léger's instructions made it clear that

(a) Canada would not enter into a commitment to agree to a total economic embargo, although we might be able to agree to something less or something different as an appropriate response to a blockade of Berlin;

(b) final decisions on counter measures were to be the responsibility of Governments, not of the Permanent Council acting under some prior authority;

(c) whatever compromise wording might be generally acceptable, Canada has no intention of introducing prior to a blockade enabling legislation to impose economic counter measures.

3. Just prior to his departure for the West, the Minister telephoned me to say that a draft memorandum to Cabinet taking account of the foregoing points should be submitted in his absence and as soon as possible to the Prime Minister; and that the Memorandum to Cabinet embodying the instructions for the Delegation to the NATO Ministerial Meeting should be adjusted to take account of the Prime Minister's reaction to the separate memorandum on economic counter measures.

R. C[AMPBELL]

290.

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. 452-61

Ottawa, December 6, 1961

SECRET

BERLIN: ECONOMIC COUNTERMEASURES

During the last three months the NATO Council has been discussing economic countermeasures as "one of a series of responses" available to the West in the event that access to West Berlin should be blocked or impeded following the failure of negotiations on Berlin or refusal by the Soviet Union to negotiate.

2. On October 23, 1961 the Cabinet decided

"that the Government should make no commitment to participate in economic countermeasures in respect of the Berlin situation until access to Berlin was denied. This would include any advance commitment in respect of the denial of air traffic rights to aircraft from the Soviet bloc countries."

3. This decision was communicated to the NATO Council on October 31 by the Canadian Representative who informed the Council that the decision applied not only to the proposal concerning a total embargo but also to the proposed partial economic countermeasures and to the proposed measures in the event of an interdiction of NATO air traffic. Our Representative reserved the Canadian position on all of these questions and explained that he did not believe the Canadian authorities would wish their decision to be considered as a veto on further planning in this field.

4. The Council discussions have revealed substantial differences of opinion between the United States, France and West Germany on the one hand, who favour a total economic embargo going into force automatically as soon as the Council decides on the facts of a blockage of access to West Berlin, and on the other hand Britain, Norway, Denmark, Canada and some other members who are not prepared to see decisions taken in advance of access to West Berlin actually being blocked.

5. While there seems to be no differences in basic views among the latter group, all except Canada have been prepared to accept the Council's decision on air traffic countermeasures, have been prepared to go along with planning for other partial countermeasures and generally have gone to some lengths to maintain an appearance of Council solidarity.

6. There is a possibility that failure to reach agreement on an approach to economic countermeasures may lead the United States and some others to overemphasize military preparations. In addition, evidence of inability to work towards a compromise solution might increase the tendency of the three Occupying Powers and Germany to act without consultation with the Council.

7. We have now been informed by the Deputy British High Commissioner that Britain together with the United States, France and West Germany have agreed to present to the NATO Council the attached compromise resolution. It seems likely to become the focal point for any discussion of this question before and during the Ministerial Meeting, December 13-15, 1961.

8. Most members of NATO seem ready to search for a compromise text and the Canadian Delegation would have difficulty in abstaining from participation.

9. In light of the previous Cabinet memorandum, the present resolution would require modification to meet the following requirements:

(a) makes clear that member governments are not committing themselves in advance to a total economic embargo, since some different measures might be more effective or suitable in some circumstances;

(b) recognizes that while there would be continuous consultation in the NATO Council, actual decisions concerning the nature and timing of any action can be taken only by Governments;

(c) avoids any implication that new legislation or substantial new regulations will be introduced in Canada until the need for countermeasures arises;

(d) ensures that the conditions set out in paragraphs (a), (b) and (c) above should extend to any application of the resolution with respect to partial countermeasures, including those prepared in the field of civil aviation.

10. Cabinet may therefore wish to consider whether Canadian Representatives should be authorized to seek revision of the resolution along the above lines. If they are successful it might then prove possible for Canada to accept the resolution.

[H.C. GREEN]

[PIÈCE JOINTE/ENCLOSURE]

Projet de note
Draft Note

SECRET

The Council has decided that in the event military and civilian access, air or ground, to West Berlin is blocked, the immediate imposition of significant countermeasures amounting to a total economic embargo against the Soviet bloc would be an appropriate response. The NATO countries are planning their concerted participation in such an effort. In the event that blockage appears to be substantially complete, the Council will meet and as appropriate, acting under guidance of Governments, will consider whether in fact such blockage has taken place and what the timing of the total embargo should be, in the light of all the circumstances of the moment and in support of military, political and psychological action being undertaken.

291.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], December 7, 1961

Present:

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),

The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

BERLIN; ECONOMIC COUNTERMEASURES
 (Previous reference Oct. 23)

11. *The Prime Minister* said that discussion had been going on for weeks in the N.A.T.O. Council on the subject of denial of access to West Berlin. East Germany has been creating more and more interference. France had stubbornly refused to consider negotiations to ease or settle the problem.

The only area of agreement among the N.A.T.O. countries had been with respect to economic countermeasures. Canada had been an exception. There was a possibility that France would use Canada's stand to justify its own position. The United States had stated that it would be impossible to service West Berlin by an air-lift this time. West Berlin now had more population than 25 per cent and greater production than 50 per cent of the nations in the United Nations. There had been general agreement in N.A.T.O. that immediate economic countermeasures should be applied against the Soviet Bloc in the event that military and civilian access to West Berlin be denied. The Cabinet, however, had decided Canada would not make any advance commitments in this regard and this had been communicated to N.A.T.O. There had been all kinds of economic countermeasures proposed and substantial differences of opinion on these. The United States, France and West Germany favoured a total embargo to go into effect automatically. Britain, Norway, Denmark and Canada and others were not prepared to see decisions made in advance of the event. However, in order to maintain a semblance of solidarity, these countries have been prepared to go along with planning partial countermeasures, including the Council's decision on air-traffic countermeasures. Canada had been an exception in this and had not accepted the decision on air-traffic.

Britain, the United States, France, and West Germany had now agreed to present to the N.A.T.O. Council a compromise resolution which was likely to be the focal point for any discussion before and during the Ministerial meeting. It was suggested that a revision of this resolution along lines set out in the memorandum might make acceptance by Canada possible.

An explanatory memorandum had been circulated, (External Affairs memorandum, Dec. 6 – Cab. Doc. 452-61).

12. *The Prime Minister* did not agree with the view that there was a possibility that failure to reach agreement on an approach to economic countermeasures might lead the U.S. and others to overemphasize military preparations.

13. *The Secretary of State for External Affairs* agreed with the Prime Minister's comment and said that he had not been satisfied with the memorandum drafted for Cabinet and had therefore not signed it. Canada had taken the stand that it could not take a position with regard to economic countermeasures beforehand and had pointed out that Canada's War Measures Act would have to be amended first. He felt that this stand should not be changed.

14. *The Minister of National Defence* said that the countermeasures to be applied to flights of civil aircraft over Canada involved only administrative action and there would be very little called for because of the small extent to which these routes were used by members of the Russian bloc.

15. *The Cabinet*,

(a) noted the information submitted in a memorandum from the Department of External Affairs dated December 6th (Cabinet Document 452-61) concerning proposed economic countermeasures to deal with the Berlin crisis;

(b) decided that the Canadian position on this subject should not be changed, except in regard to the air traffic measures to be taken in response to partial interdiction of N.A.T.O. aircraft (civil or military) to or from West Berlin; and,

(c) agreed in regard to these air traffic measures that the Canadian reservation on the decision of the N.A.T.O. Council dated October 31st should now be withdrawn, on the understanding that the Canadian representative on the Council would act only subject to instructions from his Government on these measures.

(Note: The measures referred to in (c) include:

(i) closure of N.A.T.O. airports to Soviet bloc aircraft;

(ii) prevention of transit overflights and technical stops by Soviet bloc aircraft in N.A.T.O. countries; and,

(iii) prohibition against N.A.T.O. country aircraft calling at Soviet bloc airports.)

...

292.

DEA/50341-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, December 7, 1961

BERLIN: ECONOMIC COUNTERMEASURES

For comparative purposes copies† are attached of the draft decision on a total economic embargo which the NATO Council considered on December 7, and of the draft compromise resolution which the British Deputy High Commissioner passed to us earlier this week and which was attached to the Memorandum to the Cabinet on this subject.

2. You will notice that only the last part of the last sentence of the earlier resolution has been altered. The words "will consider whether, in fact, such blockage has taken place and what the timing of the total embargo should be, in the light of all the circumstances of the moment and in support of military, political and psychological action being undertaken" have been deleted and the following wording has been substituted:

"will consider whether such an embargo should be put into effect."

3. The earlier text did not represent much of a compromise with those member governments who objected to the four-power proposal that a total embargo should come into force almost automatically when access to West Berlin was blocked. The earlier resolution left to the subsequent discretion of governments only the determination of the existence of a complete blockage of access and the question of timing of the embargo.

4. The new text now before the NATO Council does not contain the objectionable automatic element. It specifically states that when blockage of access to West Berlin appears to be substantially complete, the Council, acting under the guidance of governments, will decide whether or not to impose an embargo. The final decision is thus left to governments to make at the time that access to West Berlin is actually blocked. However, as the Secretary-General explained in presenting the new resolution, it contains "a moral obligation" to agree to a total embargo in response to a total blockage. It also contains an obligation to participate in preliminary planning.

5. The Cabinet decision of October 23, 1961, which was reaffirmed today, stated in part "that the Government should make no commitment to participate in economic countermeasures in respect of the Berlin situation until access to Berlin was denied ...". The moot question is whether acceptance of the new resolution acknowledging a total embargo as an "appropriate response" to a blockade of West Berlin, would constitute a "commitment to participate in economic countermeasures." If it does, we obviously cannot accept the new resolution. If it does not, we could accept the resolution with a reservation to the effect that in the opinion of the Canadian authorities the question of whether a total embargo would be an appropriate response to blockage of access to West Berlin would have to be decided in the light of the circumstances prevailing at the time access was actually blocked. In my opinion, the first two sentences of the new resolution involve "a commitment to participate in economic countermeasures" and in the light of the Cabinet decision they could not be accepted.

6. There is a paradoxical element in Cabinet's decision to allow our Delegation to remove the Canadian reservation on the NATO Council decision concerning air traffic countermeasures. Although the air traffic countermeasures operate in a much narrower field than the proposed total economic embargo, they go farther in one sense than the proposed decision on a total embargo; the decision on air traffic countermeasures involves a commitment "to make without delay the necessary plans to enable them to implement these measures ...", whereas the proposed decision on a total embargo contains only a passing reference to "planning their concerted participation."⁶⁰

N.A. R[OBERTSON]

⁶⁰ Note marginale :/Marginal note:

Take to Paris. [Ross Campbell]

Pour en savoir davantage sur Berlin, voir la quatrième partie de ce chapitre.

For further developments on Berlin, see Part 4 of this chapter.

3^e PARTIE/PART 3
 POLITIQUE NUCLÉAIRE
 NUCLEAR POLICY

293.

H.C.G./Vol. 10

*Note du conseiller du Gouvernement du Canada
 en matière de désarmement
 pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Advisor to Government of Canada on Disarmament
 to Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], January 13, 1961

NATO – NUCLEAR ARMAMENT OR DISARMAMENT?

This memorandum is drawn up in accordance with your instruction to put down on paper the considerations I drew to your attention during our conversation on 12 December.

2. The request that you have received from the Minister of National Defence to open negotiations with the United States with a view to determining the conditions under which nuclear warheads will be made available under joint control for the “Honest John” artillery and F-104G aircraft with which the Canadian forces in Europe will shortly be equipped has brought to attention the question of a re-examination of the strategy and policies on which the original decision to equip NATO forces with tactical nuclear weapons was based.

3. The original decision to equip NATO forces with tactical nuclear arms was taken in 1954. In 1956 the North Atlantic Council directed the NATO military authorities that land, sea and air forces available to NATO must (*inter alia*) meet the requirement that they should be able to deal with armed aggression other than minor incursions, in accordance with the concept of “forward strategy,” counting on the use of nuclear weapons at the outset. The shield forces were to have the capability to respond quickly with nuclear weapons to any type of aggression.

4. In 1957, the communiqué issued after the meeting of the heads of government stated that “NATO has decided to establish stocks of nuclear warheads which will be readily available for the defence of the alliance in case of need. In view of the present Soviet policy in the field of new weapons, the Council has also decided that intermediate range ballistic missiles will have to be put at the disposal of the Supreme Allied Commander, Europe.

“The deployment of these stocks of missiles and arrangements for their use will accordingly be decided in conformity with NATO defence plans and in agreement with the states directly concerned.”

5. What was decided in 1957 and which seemed to be sound at that time may no longer be sound in 1961. Since the date of the decision, many experts have come to doubt whether tactical nuclear arms would really be effective in the defence of Europe. The belief is quite general that if these tactical nuclear arms were used they would make it inevitable that any war in Europe would be a nuclear war, and probably would quickly develop into an all-out war between the two great nuclear powers.

6. In 1956, President Eisenhower proposed that NATO should set up an organization to study disarmament policy as it related to the defence of the NATO area. In 1957, Mr. Diefenbaker said at the beginning of his statement at the meeting of NATO heads of government on December 16, "We meet here today to strengthen our military position and ensure that *until the day that the negotiation of disarmament is possible*, we shall have the strength necessary to preserve our security and maintain a strong position *from which to negotiate at any and at all times*."

7. However, no organization has been set up in NATO for the study of disarmament. The Germans have recently called attention to the present need for such an organization. You will recall that the situation during the 1960 negotiations on disarmament was very unsatisfactory in that there was no effective consultation with NATO on the disarmament measures proposed. This was due to the haste with which the Western disarmament plan had to be developed. Although Canada suggested at various times that the NATO military authorities should be brought into the study of disarmament proposals, nothing was done in this respect.

8. Reverting to the problem of the defence of NATO Europe, there would seem to be three possibilities:

(a) To go through with the present plans for widespread use of tactical nuclear arms, together with the provision of a NATO nuclear deterrent. This course seems likely to intensify the arms race and the danger of nuclear war;

(b) Strengthening NATO in conventional arms and forces. While this could be done if the NATO nations were sufficiently persuaded of its necessity, and would do much to eliminate the threat of nuclear war developing in Europe, it would necessitate sacrifices and create many political difficulties for the nations concerned;

(c) Acquire security through balanced disarmament of both the Warsaw Pact and NATO powers.

9. I understand that a reply dealing with the specific questions which the Minister of National Defence raises in his letter is being prepared by another division of the Department. However, I believe that it is widely held that there is need for an intensive re-examination of NATO strategy including the proposal for a NATO deterrent and it would seem that the above three possible courses of action should be carefully examined. It is therefore suggested that, if you feel the above arguments are valid, the Minister of National Defence should have these views placed before him with the recommendation that the Canadian Government should urge in the strongest terms that a re-examination of NATO strategy on the lines suggested above should be undertaken, and endeavour to gain the support of other NATO nations for this action.

10. May I receive your instructions, in due course, as to what further action, if any, is to be taken in this matter.

E.L.M. BURNS

294.

DEA/50219-AL-2-40

*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-46

Ottawa, January 18, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 66 Jan. 12† and Our Tel DL-27 of Jan. 16.†

Repeat for Information: Washington, Perm New York, London, Paris, Brussels, Bonn, Hague, Rome (Priority), DM/DND, CCOS.

Note for Communications: This message required for NATO meeting a.m. January 19.

I welcome the arrangements which are being made to have SACEUR provide the Permanent Representatives with a complete and up-to-date picture of the present nuclear position of the Alliance. At the same time I assume that the main purpose of the meeting will be to hear his report and that it is not intended that there should be any substantive discussion at this stage and particularly until governments have had a full opportunity to consider the present situation in the light of the information made available by General Norstad. In the circumstances I expect that your role and that of your colleagues at the meeting will be mainly to ask questions on any aspects of Norstad's presentation which appear to require clarification. To assist you in that regard we are setting down below for your general guidance some of the more important points relating to NATO atomic policy which may require clarification:

(1) What is proposed role of tactical nuclear weapons in NATO shield forces in relation to need to deal with limited and cold war situations, as distinct from their general deterrent role against major war.

(2) Norstad in describing NATO strategy has frequently referred to need to force a "pause" in aggression to make aggressor appreciate carefully full consequences of proceeding with attack. Recognizing the likely "escalatory" effect of use of tactical nuclear weapons is it reasonable to assume that they would not be used to force a "pause," or if they were used could West reasonably expect any "pause" to occur?

(3) Assuming control in peacetime on the means of delivery for tactical weapons rests with national governments whose forces possess them, and the warheads remain in U.S.A. custody until released by the President, at what stage in peacetime can SACEUR take direct charge of deployment and preparation of such weapons for immediate use assuming there is increasing risk of aggression.

(4) To what extent must SACEUR consult governments whose forces have means of delivery at their disposal before taking action under (3).

(5) Is it correct to assume that Council will be consulted by SACEUR regarding the use of tactical nuclear weapons where there is sufficient time to do so?

(6) What is relationship of NATO alert agreements to any action taken by SACEUR under (3) and (4) above?

(7) With regard to the IRBM's already set up in Italy it is our understanding that SACEUR retains operational control over these weapons, subject to agreement of U.S. and Italian governments before they can be used. Does this same arrangement apply to other IRBM's e.g. in Turkey?

(8) The U.S.A. suggestions regarding MRBM's speak of a "truly multilateral" missile force. What authority if any has Council with respect to use of present IRBM's?

2. As you will observe the above questions relate only to the present nuclear position of the Alliance which, we understand, is all that is up for consideration at the present time. We shall have other questions to raise when an opportunity is given to obtain clarification of the U.S.A. MRBM concept.

H.[C.] GREEN

295.

DEA/50219-AL-2-40

*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 196

Paris, January 27, 1961

SECRET. PRIORITY.

Reference: Your Tel DL-46 Jan 18.

Repeat for Information: Washington, Permisis New York, London, Paris, Bonn, Brussels, Hague, Rome, CCOS, DM/DND Ottawa (Priority) from Ottawa.

By Bag Ankara, Athens, Copenhagen, Lisbon, Oslo from London.

NATO NUCLEAR POLICY

General Norstad himself briefed the Council on January 26 at SHAPE Headquarters on the atomic forces available at present to the Alliance and the controls which exist over them.

2. The briefing which was admirably done extended with questioning over 2½ hrs. A very large percentage of the time was taken up with a factual explanation of the types and numbers of atomic weapons. The Council was informed of the types of aircraft available to Allied Command Europe for the delivery of atomic weapons, the types of missiles, the numbers of special ammunition storage sites which were available, and comparative charts on the force levels within the Alliance were shown. As much of this factual information as we could record will be included in separate numbered letters to Ottawa only. † Norstad also took some time to suggest a new land-based MRBM weapon system which will also be the subject of a separate report. †

3. The nature of the meeting was not repeat not such as to provide the best opportunity for introduction of all of the questions contained in your reference telegram. There was a fairly extended discussion of the problem of control and your questions on that issue or ones very similar in intent were answered. It was agreed that the Council would have further meetings with Norstad as it progressed in its study of this whole question so that we will have further opportunities to raise those of your questions which were not repeat not answered at this meeting and such others as may occur to you. In other words, the briefing and the discussion which it generated tended to concentrate more on what atomic forces were available at present and what controls existed over them than on the question of how and under what circumstances atomic weapons might be used at the moment. This latter question is one that I know is much in the minds of Council members but I suspect that the tabling of UK paper (our telegram 168 January 25) † with its very specific questions in this area had its effect on the course of the questioning at this first meeting with Norstad. The Council is fully aware that these questions, having been asked, will have to be dealt with in future discussions.

4. Norstad opened his presentation with a brief historical background. He indicated that as early as April 1952 he had been charged personally by the then Supreme Commander with the planning for use of nuclear weapons in the NATO area and for co-ordinating operations with external forces, i.e., USA Strategic Air Command. The first conference of senior allied military personnel to deal with atomic weapons for NATO was convened in May 1952 at Fontainebleau. In June of 1952 the 49th USA Air Division moved to UK. Its 150 aircraft constituted the most highly-trained atomic delivery unit available at that time and its purpose was to contribute to the defence of the NATO area. In somewhat different form, Norstad said, highly-trained atomic delivery units continued to exist today in UK to fulfill the same purposes. As an indication of developments in this field at this early date, Norstad indicated that in the May 1952 Conference the planning figure discussed was 20 atomic weapons. By July 1954 the planning figure was 125. He emphasized that this early planning involved atomic weapons for specifically NATO requirements as estimated by Allied staff officers. The first specific mention of atomic weapons in formal NATO plans came in MC48 which was considered and approved by the Council in the fall of 1954. He quoted paragraph 22(a) of MC48, as follows: "Our studies have indicated that without their immediate use (i.e., atomic weapons), we could not repeat not successfully defend Europe within the resources available. Any delay in their use – even measured in hours – could be fatal. Therefore, in the event of a war involving NATO, it is militarily essential that NATO forces should be able to use atomic and thermonuclear weapons in their defence from the outset."

5. Norstad said that his only purpose in this brief review of NATO's nuclear policy was to set in perspective present military requirements. The need for nuclear weapons was not repeat not something which had emerged only in the last few years. The need for these weapons and the approval of planning for their use had been a constant feature of the Alliance from 1954 onward. The Herter proposals⁶¹ were only the most recent development in a recognized pattern. They were designed to meet NATO military requirements which existed and did not repeat not involve the extension of those requirements. Nor did the proposals for the introduction of additional MRBMs change NATO's basic strategy. They simply would provide the means to allow SACEUR to carry out the responsibilities given him for the defence of the NATO area. He could not repeat not meet his responsibilities without them.

6. When speaking specifically of the Herter proposals, Norstad said that MRBMs would take over some of the functions already performed by available aircraft. He said there were some 700 targets vital to his command which lay more than 300 miles beyond the Iron Curtain. Eighty percent of these targets lay in the area 300-700 miles beyond the Iron Curtain. To engage these targets successfully he required the force of MRBMs which he had repeatedly asked for, to work with the aircraft which he had available and the improved version of those aircraft which he would have available in the years ahead. He made it clear that while, in his opinion, the Polaris submarine with its missiles offered specific advantages for dealing with his military task, he also believed it essential to have a highly-mobile land-based system of missiles which would be complementary to the sea-based force. As indicated above, his suggestion with respect to the land-based MRBM system will be dealt with in separate correspondence.

7. In answering questions in connection with the atomic delivery systems which presently existed in the NATO area, Norstad made it clear that in his mind there was no repeat no reasonable distinction to be made any longer between so-called tactical and strategic nuclear weapons. There was no repeat no yardstick by which such a distinction could be judged. It was true that the ranges of nuclear weapons available to him varied considerably but there was a

⁶¹ Voir/See Volume 27, documents 222, 223.

great deal of flexibility in the use of a particular weapon, depending on whether the situation faced at a particular time required the application of force by that weapon at minimum, middle or maximum ranges of its capability. There was similar flexibility possible in the yield of warheads which could be used on particular weapon carriers. The implication of his statements in this context was that insofar as there was a control problem, it applied to all nuclear weapons regardless of whether they were described loosely as tactical or strategic. The size of the modern "battlefield" was such as to make analogies with past experience difficult, if not repeat not misleading.

8. The discussion of controls and questions on this subject was interspersed throughout the presentation which I should indicate was not repeat not made from a formal brief but by Norstad without notes and with a minimum of charts. For purposes of this report therefore I think it would be best to start with the summary made by Spaak and Norstad at the end of the discussion. In the course of a number of answers to questions asked, Norstad had made it clear that action by the President of USA simply made nuclear weapons available for use but did not repeat not direct what specific use would be made of them. Spaak said it seemed clear that the question which remained unanswered was who decided how the weapons would be used when they were made available to NATO. He asked Norstad directly how he would envisage his actions after the release of the warheads by the President. Norstad said that if the situation arose today where the use of atomic weapons seemed required, he would ask immediately to meet the Council and to state the facts. There was no repeat no question on the matter of who had the right to control the use of atomic weapons. When asked, as he was on numerous occasions, his response was "the political authority." He said however that to speak frankly he did not repeat not believe that the Council had the ability to carry out its responsibilities. He believed that some machinery must be found which would enable the Council to fulfil its responsibilities. From the description which he had given of his ability as a supreme commander to control his forces and therefore their use of weapons, he was satisfied that he could exercise that control. He therefore felt forced to answer Spaak's question by a question itself along the lines of the following: I can carry out my responsibilities to control the military use of these weapons but can you, the Council, carry out your responsibility in such a way that the battle could not repeat not be lost before it began? He made it clear that he believed that individual governments of the Alliance had to solve the problem, which was a political problem and not repeat not a military one, of that machinery they could develop, satisfactory to them, which would enable immediate political direction to be given to the Supreme Commander when he asked for that direction. He said it would be his personal desire, and he was sure the desire of anyone who might succeed him as SACEUR, to pass as much responsibility as possible for decisions in this area to the political authority. The crisis of conscience would develop, both for SACEUR and for the Council members, when they were faced with a situation requiring immediate decision if the machinery did not repeat not exist on the political side for ensuring that that decision was acceptable to governments.

9. Spaak accepted this explanation as reasonable and said that it seemed to him that there were two situations that could be distinguished. One was that of a direct atomic attack by the enemy. It seemed to him that the Council would automatically decide that NATO's atomic weapons should be used immediately, although he was not repeat not aware that such written direction existed in any NATO text. He believed it was something which should be put in textual form for ministerial approval in the not repeat not too distant future. The second situation was that of a conventional attack launched by the enemy. General Norstad's description of the situation was absolutely correct. There was no repeat no firm procedure for Council decision on the possible use of atomic weapons in the circumstances. Indeed there was the "utmost vagueness" even about expressions of government views in this area. It seemed to him essential that if governments were thinking of taking the responsibility for a multilateral

NATO atomic force, they could not repeat not much longer avoid a decision on this question of control.

10. Norstad agreed that the idea of multilateral force highlighted the absence of confirmed political direction with respect to the use of atomic weapons. The multilateral force concept did not repeat not however create the problem. The problem existed today and had existed ever since the first atomic weapon was integrated into NATO forces. He believed that a very heavy burden of responsibility rested on SACEUR which should properly be borne by the Council. Governments had been willing to leave the method of exercise of responsibility indefinite and undefined. Perhaps even after detailed examination of the problem which the Council was now embarking upon, governments would prefer to retain present arrangements. If they did so however, they should be conscious of the burden which would rest primarily with the Supreme Commander. He emphasized again that there was no repeat no question of principle. The problem was one of the assumption of political responsibility by the governments and the agreement of the governments to a suitable means by which that responsibility could be exercised. He said that if governments wished to embark upon a search for some acceptable method, he had one procedural suggestion to make. He believed it would be useful if the Council would undertake to write what might be called "rules of engagement," attempting to set out general political guidance as to the kind of situations in which it would seem appropriate that NATO atomic weapons be used. He said he himself could think of half a dozen situations in which the use of atomic weapons by NATO forces would be the only possible action in terms of commonsense.

11. This summation of the problem had been preceded by a fairly extensive description by Norstad of his own direct control of atomic weapons within the military chain of command and the methods by which that control would be exercised. We shall make this the subject of a separate report as well. †

12. Members of the Council expressed satisfaction that Norstad's briefing was most complete on the subject of NATO's nuclear capacity that had ever been given to the Council. This telegram is confined to the more general aspects of the briefing. You will receiving a considerable amount of additional factual material in subsequent messages. † We believe it will take some time for individual governments to digest the information which SACEUR has provided. When that has been done however we believe that the Council will be in a better position perhaps than it has ever been before to conduct an informed discussion of NATO's nuclear policy and of the specific USA suggestions concerning a multilateral MRBM force.

[JULES] LÉGER

296.

H.C.G./Vol. 11

*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 31, 1961

NATO AND NUCLEAR ARMAMENTS

Attached is a memorandum by General Burns setting down some views he has formed about the problem of NATO and nuclear armaments. I believe you will find it interesting.

2. For your information I have also sent copies of the paper to the Chairman, Chiefs of Staff and to Mr. Bryce. I hope to have a meeting with them in the near future at which time we will discuss the NATO nuclear problem generally with particular reference to the United Kingdom paper concerning a comprehensive review of NATO strategy.⁶² I have suggested that we might also discuss General Burns' paper at that time.

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Note du conseiller du Gouvernement du Canada en matière du désarmement
Memorandum by Advisor to Government of Canada on Disarmament

Ottawa, January 30, 1961

NATO AND NUCLEAR ARMAMENTS

Can a war in which nuclear weapons are used be a limited war? Can anyone demonstrate that, if tactical nuclear weapons were used in Europe, it would be possible to limit the war in geographical extent and in the kind of nuclear weapons used? For the first time in history, hostile nations have the power to strike vital objectives in each others' territory with overwhelming force, from the first hours of war. This fact makes it almost impossible to deduce from the history of past wars what the form of a future war might be.

The expression "escalation" has been used to convey the idea that, if two nations having "spectrum" of nuclear weapons and means for their delivery, once begin to fight with the smaller nuclear weapons, they will inevitably use ever larger weapons to secure victory, or avoid defeat, until the largest and most destructive weapons are brought into the struggle. The escalation period would probably be very brief; perhaps days, perhaps only hours.

"Escalation" might work as follows: The use of tactical nuclear weapons of short range by forward troops would be replied to by weapons of greater power and longer range, sited farther back. Nuclear strikes intended to interdict the movement of enemy reserves would hit far into enemy territory, and so would attempts to neutralize air bases and missile launching sites. Retaliation would progressively come from aircraft based at, or missiles launched from, greater distances, and attempts to forestall such retaliation would inevitably extend the area of operations until it included the heartland of both sides.

It is difficult to imagine any agreement between the two sides which could effectively limit the size or range of nuclear weapons once they were used at all. Rather than that such an agreement would be made and kept, it is surely far easier to conceive of an agreement not to use the weapons at all, to reduce and finally eliminate them from national armaments.

If escalation is inevitable following any use of nuclear arms, it is clear that the defence of Europe by nuclear weapons is really "built-in brinkmanship." It would seek to deter war by ensuring that any hostilities would immediately result in all-out nuclear war. And the lower down in the scale of units that nuclear arms were distributed, the greater would be the possibility of nuclear war breaking out through a fault of judgement, or accident.

⁶² Une copie du document « NATO Strategy and Nuclear Weapons » élaboré par le Royaume-Uni peut être consultée dans le dossier MAE/50219-AL-2-40.

A copy of the United Kingdom paper, "NATO Strategy and Nuclear Weapons," can be found on DEA/50219-AL-2-40.

It has been suggested that it would be possible by the use of the smaller nuclear weapons to impose a "pause" on the USSR if an attack were made on European territory. It is not clear how it is expected to bring this about. It is said that a first, limited use of nuclear weapons by NATO troops would demonstrate the alliance's determination to use every weapon rather than yield to aggression, even if of limited extent. But as the Russians are as well provided with tactical nuclear weapons as are the NATO allies, what would be most likely to happen would be that they would reply in kind; and the Allies would either have to continue in the escalation or else stop and suffer the aggression to succeed. So the pause-enforcing function or "shot across the bows" does not seem to be an effective element in a NATO defence policy.

There is a difficult problem involved in the control of nuclear weapons, which at present is exercised by the USA, sometimes jointly with the allied host country. It is understood that the President of the United States has to authorize the release of nuclear warheads. If he does this, it will be with the realization that he will very probably be exposing the continental United States to a devastating nuclear war which could be initiated by some relatively junior officer using the tactical nuclear weapons with which his unit is equipped and trained to fight. If on the other hand the President does not release the nuclear weapons, the NATO forces which depend on them will be practically powerless to resist attack, since they will not have the numbers of men nor the conventional armaments to match those which can be brought against them.

So there is a dilemma confronting the USA and the European NATO allies. If, in equipping the NATO forces with tactical nuclear weapons the USA gives up its veto on their use, it may be exposing itself to all-out nuclear war initiated without its specific consent. But if it retains the veto, the Europeans will fear that at a critical juncture the USA might refuse to release the warheads, leaving the NATO forces largely defenceless. It is hard to believe that the American determination to defend Europe is so great that they would be ready to engage in all-out nuclear war, with all that would entail, to resist any and every kind of attack.

If we come to the conclusion that nuclear war is not a rational way of defending the freedom of Europe, what is to be done? Should we not now decide to and set about making the West strong enough, *relative to our opponents*, in conventional forces and armaments so that we can be reasonably certain that the nuclear arm need never be used except in retaliation for its use by the other side? And if this is so, would it not be more sensible to achieve equality of strength by making a disarmament agreement which would reduce Russian strength in conventional forces and armaments to parity with ours, rather than greatly increasing ours?

It would also seem that in the first stages of any disarmament agreement it would be necessary to retain nuclear weapons and the means for their delivery on both sides, but with the understanding that they would be only used in retaliation for the initiation of nuclear warfare.

E.L.M. BURNS

297.

DEA/50219-AL-2-40

*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 279

Paris, February 3, 1961

SECRET. PRIORITY.

Reference: Your Tel DL-46 Jan 18.

Repeat for Information: CCOS, DM/DND (Priority) from Ottawa, Washington, Permis New York, London, Paris, Bonn, Brussels, Hague, Rome.

By Bag Ankara, Athens, Copenhagen, Lisbon, Oslo from London.

NATO NUCLEAR POLICY

A number of the questions raised in your reference telegram were dealt with in the course of General Norstad's briefing of the Council on January 26 (our telegram 196 January 27). It is clear that similar questions will be dealt with in the further discussions which will arise with respect to the longer UK list of questions on NATO nuclear strategy which has been circulated to the Council (our telegram 168 January 25).† We thought it might be useful however to attempt to deal more specifically in this message with the questions you have posed. Our purpose is to find out if the answers set out below are satisfactory for your requirements and to ensure that we have a clear understanding of the problems you had in mind in posing some of the questions. For purposes of clarity we shall repeat the text of the eight questions.

2. *Question 1:* What is proposed role of tactical nuclear weapons in NATO shield forces in relation to need to deal with limited and cold war situations, as distinct from their general deterrent role against major war?

Answer: As indicated in our telegram 196, SACEUR believes it misleading to think of nuclear weapons in terms of tactical or strategic insofar as they form part of the necessary armoury of NATO forces to meet the responsibility placed on SACEUR to defend the European area for a certain period. All nuclear weapons serve a dual purpose in contributing to the successful implementation of the task of the shield forces which, in General Norstad's own words to the last NATO Parliamentarians Conference (our telegram 3048 November 22) were identified as "First, to contribute to the deterrent. To do this, we must be in a position to prevent if possible an act of aggression, large or small, intentional or unintentional, by the presence of effective defending strength ... a second mission is to defend the people and territory of the NATO countries ... a third and most important product, if not repeat not purpose, of the shield force is the contribution it makes towards establishing the credibility of the great strategic retaliatory forces. Without effective NATO forces deployed in the forward areas and properly equipped, we would, in the event of aggression, have no repeat no option, no repeat no choice of response, between ICB or nothing."

3. *Question 2:* Norstad in describing NATO strategy has frequently referred to need to force a "pause" in aggression to make aggressor appreciate carefully full consequences of proceeding with attack. Recognizing the likely "escalatory" effect of use of tactical nuclear weapons is it reasonable to assume that they would not repeat not be used to force a "pause," or if they were used could West reasonably expect any "pause" to occur?

Answer: We think it likely that General Norstad's response to this question would be an assurance that insofar as it was his responsibility, he would apply only the required degree of force necessary to force a pause in order that the aggressor would be required to make a

conscious decision as to whether or not repeat not he would extend an incident so that it would constitute an act of major war. We doubt that he would commit himself in advance, as a military commander, to a distinction between the use of conventional and nuclear weapons in this context. The analysis put forwarding the letter of August 22, 1960 from the CCOS to the USSEA and in paragraph 9 of that letter in particular seems relevant to us. SACEUR has however on a number of occasions emphasized the importance of adequate conventional forces in his command. Most recently in speaking to the Assembly of the WEU on December 1, 1960 he made the following comments which seem to us relevant to your question. "A substantial conventional capability is essential to the defence of Europe and is certainly essential to our making an effective contribution to the deterrent." The basic combat elements of NATO forces "should be so organized and so equipped that their normal response to an incident would be of necessity with conventional weapons ... the threshold at which atomic weapons are introduced into the battle should be as high as possible ... we must continue to pay the greatest attention to the development of conventional weapons because if we do all these things, we then raise the threshold at which atomic weapons would have to be introduced into the battle."

4. *Question 3:* Assuming control in peacetime on the means of delivery for tactical weapons rests with national governments whose forces possess them, and the warheads remain in USA custody until released by the President, at what stage in peacetime can SACEUR take direct charge of deployment and preparation of such weapons for immediate use assuming there is increasing risk of aggression?

Answer: This is one question which we are not repeat not too certain that we fully understand. It is our understanding, perhaps wrongly so, that SACEUR, for example, has operational command of Canadian forces since they are "assigned" forces (see CCOS message JS-3305 to SHAPE January 24)† and can direct their operational deployment, including the deployment of the weapon system available to them and in support of them. Insofar therefore as the means of delivery for nuclear weapons is concerned, we are not repeat not clear as to the intent of your question unless it be with respect to "earmarked" forces in contrast to "assigned" forces. Insofar as the supply of the necessary warheads is concerned, i.e. the "preparation of such weapons for immediate use," we believe that SACEUR would think that he could take such action once release of the warheads from USA custody had been authorized by the President of USA. Thereafter the use of such weapons would be governed by political decisions taken on behalf of NATO and by any such national decisions as were required on the use to be made of these weapons. As reported in our telegram 196, General Norstad indicated what his views were on the exercise of political authority over the use of nuclear weapons. On other occasions as, for example, in speaking both to the parliamentarians in November 1960 and to the Assembly of WEU in December 1960 he said in part "I believe that atomic weapons should be introduced into the battle only as the result of a deliberate decision, a decision which is the product of an established decision-making process, a process which is in turn directed by the political authority of the Alliance ... the use of these weapons should be the result of a specific deliberate decision made at a level consistent with the policies and plans of NATO." (You will no repeat no doubt wish to check with the CCOS on our interpretation of SACEUR's responsibilities and likely course of action.)

5. *Question 4:* To what extent must SACEUR consult governments whose forces have means of delivery at their disposal before taking action under question (3)?

Answer: I am inclined to believe that SACEUR would not repeat not consider himself bound to consult governments whose forces are assigned to him (except USA Government insofar as the preparation of such weapons for immediate use is concerned) before taking the actions contemplated under question 3 although he would keep them informed of developments as time and communications permitted. I believe he would regard such action as

a necessary preparation for possible eventual use of weapons which would be mandatory upon him as a military commander charged with the responsibility for being in a position to carry out the defence of an area. His consultation with respect to "earmarked" forces would presumably be governed by the exact conditions imposed by individual governments concerned. The final decision as to use of the weapons however, he seems clearly to be aware, is to be reserved for the appropriate political authority.

6. *Question 5:* Is it correct to assume that Council will be consulted by SACEUR regarding the use of tactical nuclear weapons where there is sufficient time to do so?

Answer: General Norstad gave a simple answer to this question in the course of his briefing on January 26 when he assured the Council that he would consult it where there was sufficient time regarding the use of any nuclear weapons.

7. *Question 6:* What is Relationship of NATO alert agreements to any action taken by SACEUR under questions (3) and (4) above?

Answer: This question involves a detailed interpretation of the NATO alerts agreements which are by no repeat no means crystal clear. Countries have made individual reservations with respect to the operation of the agreements. It is our understanding that Canada has accepted the agreements as they stand. It is clear that there are two parallel sets of regulations, one of which defines states of emergency as approved by the political and the other which describes states of military readiness as prescribed by the military authorities. While we do not repeat not profess to be experts on the interpretation of these parallel sets of regulations, it would be our understanding that military commander could bring his forces to a high degree of readiness (including probably the steps covered in question 3) without trespassing on the responsibilities and authority of governments to take the political decisions as to the eventual use to be made in specific conditions of the forces and weapons available, or decisions on alerting the civil populations.

8. *Question 7:* With regard to the IRBMs already set up in Italy, it is our understanding that SACEUR retains operational control over these weapons subject to agreement of USA and Italian Governments before they can be used. Does this same arrangement apply to other IRBMs, e.g. in Turkey?

Answer: From what General Norstad said at his briefing on January 26, we think that the simple answer to this question would be yes.

9. *Question 8:* USA suggestions regarding IRBMs speak of a "truly multilateral" missile force, what authority if any has Council with respect to use of present IRBMs?

Answer: We have General Norstad's assurance as given on January 26 that he would come to the Council for direction if time permitted concerning the use of any nuclear weapons. He has on numerous occasions as well emphasized that all NATO weapons will be used only in accordance with NATO plans as approved by the governments of the Alliance. The "truly multilateral" qualification used by Mr. Herter must be read in context. It is true that it has significance insofar as control features are concerned. Mr. Herter said that his concept of a multilateral MRBM force "does not repeat not preclude exploration of the concept of increasing the authority of the Alliance over the atomic stockpile" which would serve this force. We cannot forget however that he was talking as well about multilateral ownership, multilateral financing and multilateral manning of the MRBM force. There are at present, as you will realize, few if any weapon systems which would qualify as "truly multilateral" with respect to ownership, financing and manning. Mr. Herter gave it as his opinion as well that the concept of a multilateral force "would have immense political significance for the cohesion of the Alliance." He suggested that the multilateral approach would prevent the "creation of additional national nuclear weapons capabilities" which themselves "would mean duplication of effort and diversion of resources and would tend to stimulate competition within the

Alliance in the nuclear weapons field.” The Herter proposals cannot therefore be thought of in terms of the control problem alone.

10. If the foregoing material does not repeat not satisfactorily answer the questions you have in mind, we shall be grateful for your further comments. Further opportunities will be given to us in the course of Council’s examination of the questions put by UK authorities to put forward questions of more specifically Canadian concern.

[JULES] LÉGER

298.

C.E.W./Vol. 3175

Extrait d’un compte rendu d’une réunion
Extract of Record of Meeting

SECRET

Ottawa, February 28, 1961

Present:

Mr. R.B. Bryce, Secretary to the Cabinet,
Mr. N.A. Robertson, Under-Secretary of State for External Affairs,
Air Marshal F.R. Miller, Chairman, Chiefs of Staff,
Mr. G. Ignatieff, Assistant Under-Secretary of State for External Affairs,
Air Commodore R.C. Weston, Co-ordinator Joint Staff,
Brigadier D.A.G. Waldock, Chief, Joint Ballistic Missile Defence Staff,
Mr. R.P. Cameron, Department of External Affairs,
Commander I.A. McPhee, Department of National Defence,
Mr. D.B. Dewar, Privy Council Office, (Secretary).

NATO NUCLEAR POLICY

1. *Mr. Bryce* said that there had been an exchange of comments between External Affairs and National Defence on the subject of the United Kingdom paper that had been tabled in NATO on the subject of NATO nuclear strategy. It would be useful now to discuss the procedures that should be adopted, both in Paris and in Ottawa, for considering the subject of NATO strategy and to discuss the substance of the United Kingdom paper.

2. *Mr. Ignatieff* said he believed the two Departments were agreed on the need for an orderly approach to determine whether the present nuclear policy should be changed. They also agreed that the study should begin with a review of the Political Directive of December, 1956,⁶³ and should proceed from there towards the necessary military studies. It was also agreed that work should go forward both in Ottawa and in Paris, and that there might be value in having joint Council-military study groups. The private discussions so far held among Permanent Representatives had been desultory.

3. At the most recent meeting of Permanent Representatives, the Secretary-General had proposed that the Council should for the time being suspend its study of NATO nuclear policy, mainly because the United States would not be able to present firm views on the subject for some months. A number of countries were opposed to the Secretary-General’s suggestion on the grounds that the views of European members of NATO should be clarified and made available to the United States for the purposes of its own study of NATO strategy.

4. One question that might be considered was whether the problem of revision of the Political Directive could be tackled directly or whether, as the United Kingdom seemed to think necessary, a number of questions had to be discussed and answered first. In any case it seemed

⁶³ Voir Volume 22, le chapitre III, 5^e partie./See Volume 22, Chapter III, Part 5.

that revision of the Political Directive would require a study by a body comprising both political and military elements.

5. *Air Marshal Miller* said that the present Political Directive was a formulation of policies that were already being followed at the time of its adoption. The problem of revising it now would be more difficult than was its original formulation. For this reason, it would probably be best to approach the problem by having a study of the questions involved. The difficulty was that the Council was not an appropriate strategic planning group to carry out such a study, and would not produce answers in a reasonable period of time. What was needed was a smaller planning group which should be appointed by the Council to do the study.

6. *Mr. Ignatieff* said he agreed that this approach would be more likely to produce quick results, but all member countries would probably have to be represented on the planning group. Such planning groups had not been set up in the past mainly because the International Staff was too occupied with other work. The present examination had now been precipitated by the United Kingdom paper which in turn reflected a study asked for by Prime Minister Macmillan of whether limited wars would be fought according to the current NATO strategy even though the condition of nuclear equipoise had changed the strategic situation.

7. *Mr. Bryce* said it was a real question whether the member countries of NATO would or could undertake a searching examination of NATO strategy. The answers to some of the basic questions in this area might undermine the basic concept of the Alliance, because the situation of nuclear equipoise which the United Kingdom gave as the major new factor affecting the strategic situation was the opposite of the situation when NATO was established and the West had all the nuclear strength. It might be that the United Kingdom had tabled its paper in NATO in the hope that its discussion would be an educative process that would make it easier for the Alliance to face difficult decisions later on.

8. *Mr. Ignatieff* said there had been no real discussion of NATO strategy for years because the strategic deterrent was in the hands of the United States and every one realized that the decisions about the use of the strategic forces of the Alliance would ultimately be taken by the United States President. But now the United States was deterred in a situation of nuclear equipoise and the other countries felt a greater need to examine their strategic problems. The United Kingdom Prime Minister, faced with a Great Debate about the consequences of a nuclear war for Great Britain, had ordered his Chiefs of Staff to study whether in any limited war involving NATO, the decision would have to be made between total disaster for the United Kingdom, and surrender. The Labour Party of Norway was also divided on the subject of nuclear weapons. The time had perhaps arrived when it would be less dangerous to face the strategic problem and try to resolve it than to continue to live with the old plan.

9. *Mr. Bryce* suggested that since the questions to be dealt with were so serious and troublesome, it might be better to have them discussed outside the NATO Council before the Council took them up. There might be some advantage in having a few senior Canadian military and External Affairs officials visit London and perhaps other capitals to discuss the problem informally at an early stage.

10. *Mr. Robertson* said that it would be advisable to have a full examination of the problem in Ottawa before discussing it with our allies. The Political Directive was a fundamental doctrine of NATO and we could not discuss with others how it should be revised until we had thought out the matter ourselves.

11. *Mr. Bryce* said if the United States deterrent was now counter-deterred and if the dangers of "escalation" were so great that we would be prevented from using tactical nuclear weapons in a limited war, then there was a new and difficult military problem to be solved.

12. *Brigadier Waldock* said from what had become known about it, the Bowie Report⁶⁴ in the United States seemed to have recommended an increase in conventional forces and a drawing back of tactical nuclear weapons in Europe, and giving to the Europeans more control over the means of strategic deterrence. A new study by Dean Acheson was now underway and recent statements by Secretary of State Rusk suggested that the new study was reaching the same sort of conclusion.

13. *Mr. Bryce* said the military problem of defending Europe without recourse to tactical nuclear weapons would be very difficult and it would not be easy to contemplate giving to the Europeans a deterrent over which the United States had no control.

14. *Mr. Robertson* said that the consequences of the new situation for East-West relations were serious. It would not continue to be good enough to re-affirm each year, for instance, that an attack on the freedom of Berlin would be regarded as an attack on the whole Alliance. We were increasingly in danger of having to assume unreal positions which lacked credibility. In 1956 the task of drafting the Political Directive was not too difficult, because the problem could be solved partly by rhetoric; we said then that we would respond with all our strength if we were attacked. Any realistic study now would indicate that we must contemplate different degrees of response in different situations. We should have to consider what sort of compromises would be tolerable to us that we did not have to accept five years ago. We might find, for example, that we could accept an arrangement about Berlin that was more of a compromise than we had previously considered we could accept. This examination of areas where we might accept more limited objectives would be difficult, because it would appear to be a weakening of our position and some countries more directly affected would be disturbed by it. But we probably must attempt it and at the same time do our best to keep the Alliance together.

15. *Brigadier Waldock* said one possible approach might be an examination of the various courses of action open to the Soviet Union, and what response we would make to each one. This would be a sort of war-games exercise, but involving both military and political planners.

16. *Air Marshal Miller* said the real question was whether NATO (or any international body) could carry out such a study. Would the big powers be prepared to have the study done by the whole group of fifteen and would the whole group be able to reach agreement?

17. *Mr. Robertson* said a pilot study might be done in Ottawa. We would then decide whether we could discuss it with all fourteen of our allies or with some of them. If the problem were discussed in the Council to begin with, roadblocks might be set up to prevent a real examination.

18. *Mr. Bryce* said it seemed clear that the Political Directive must be revised not by the Council but by a smaller working group composed of both military and political authorities. But before this was done, there must be a discussion in the Council or elsewhere of whether a thorough study of strategy should be done and of what the issues were. The examination of the United Kingdom paper in the Council might serve this purpose.

19. *Mr. Robertson and Air Marshal Miller* agreed with this view. *Air Marshal Miller* commented, however, that it would be possible for Canada to continue to take part in the NATO discussions without taking any initiative in launching a study of strategy, if such a course were decided on.

⁶⁴ Voir/See Robert R. Bowie, *The North Atlantic Nations: Tasks for the 1960's. A Report to the Secretary of State, August 1960*. College Park, MD: Center for International Security Studies at Maryland (Nuclear History Program Occasional Paper 7), 1991.

20. *Mr. Bryce* suggested that in the meantime thought should be given in Ottawa to what attitude Canada would take if and when a study in NATO were undertaken. We should consider the problem from the Canadian viewpoint, but also take into consideration the position of other countries. Admiral Mountbatten would soon be visiting Ottawa, and it would be useful to discuss with him the intentions of the United Kingdom in putting their paper before the NATO Council. Subsequently, a few Canadian officials might go to London for discussion. It was possible that the NATO discussions would not move much farther until the United States had presented the results of their review of NATO strategy. In the meantime, we could prepare our own thoughts on the matter.

...

299.

C.E.W./Vol. 3175

*Le représentant permanent auprès du Conseil de l'Atlantique Nord
au chef de la 1^{ère} Direction de liaison avec la Défense*

*Permanent Representative to North Atlantic Council
to Head, Defence Liaison (1) Division*

SECRET

Paris, March 17, 1961

Dear Bill [Barton],

I have read with a good deal of interest the material with which you have been providing me under a number of private letters. I am thinking in particular of papers forwarded under your letters of February 15[†] and March 3.[†] I hope you will continue the practice of providing papers of this sort which, while not actually instructions for action, give a most essential indication of the development of the thinking of interested officials in Ottawa.

This kind of material is particularly useful even if never used in a formal meeting for it can be used as one's own in personal conversations without in any way committing the Government. If it is any comfort to you, I have the impression that a number of other Representatives are working on the same type of direction from their capitals, i.e., something less than official instructions but something more than mere generalities. It is, it seems to me, a symptom of the difficulties of the issues involved that even the major powers are not prepared to commit themselves too precisely on policies in the nuclear field.

I shall not attempt in this letter to comment at any length on the many interesting ideas contained in the papers which you have sent us but will confine myself to a few comments on the general direction of Ottawa thinking, as revealed by the papers, in the matter of procedure. I agree that the orderly and logical approach to decisions with respect to the continued validity of the present NATO strategy suggested by Frank Miller is one possible procedure. You are aware, however, that just the opposite procedure is favoured by the United Kingdom; or, to put it another way, the United Kingdom approach of questions and answers could be said to precede the steps suggested in Para. 18 Annex "A" to CSC 1788/1.[†] The U.K. Representative could argue that exploration of the ground by the question-and-answer technique is essential before we can "agree in Council that the political directive needs revision or amplification." Because this view is received with a certain sympathy by some other members of the Council, I am inclined, at this stage at least, to favour your formula as set out in numbered sub-paragraph (1) on page 2 of your letter of March 3. Ipso facto, I am therefore led as well to see a good deal of merit in the point made in numbered sub-paragraph (3) on the same page. There is no doubt that the most orderly approach is that the political purpose which a strategy is to serve should be defined before one considers the desirability of changes in the strategy as it

exists. On the other hand, orderliness and logic are not always the hallmark of governmental or Council approaches to problems of this sensitivity. It may require, as is often the case with important governmental decisions, a general churning-up of ideas and "diffuse discussion" before anyone, including the Great Powers, puts himself in the mental state of deciding that this or that orderly approach to the problem must be made. This is a rather roundabout way of saying that procedures will immediately suggest themselves when policies have become clearer. It seems to me that, when even such a country as the United Kingdom can only come to Council with questions concerning nuclear strategy and not with a suggested course of policy, it is pretty apparent that we have not yet reached the stage of sufficient clarity of policy among member governments to be able to move to the next stage of co-ordinating policy. To put it even more simply, it is not possible to coordinate policies that do not exist.

The other procedural suggestion concerning a "small political-military working group" is affected, it seems to me, by the same general arguments. In addition, however, it has other difficulties. How small is the group to be and who is to be left out? I have some doubts as well as to whether certain individual Permanent Representatives, (and I think particularly of those of Belgium, the Netherlands and Norway), are prepared at this stage at least to agree that other of their own nationals can represent their government's views on a topic of this significance any better than they themselves can. A number of Permanent Representatives have pointed out in the discussions which we have already had on this subject (and I did introduce the idea tentatively, you will recall) that members of the working group will be getting instructions from national capitals which will be exactly the same as those received by Permanent Representatives. The analogy which may come to mind of the value of study groups in national capitals cannot without some caution be applied to study groups set up by a multilateral organization. In the case of national study groups, individual and professional opinions can be expressed rather freely because only the personal reputation of individuals is involved. The situation is not exactly similar in international study groups where, no matter what is said to the contrary, national representatives are what they are called, representatives of national viewpoints. I do not wish to suggest that at some point there may not be a role for a special study group. I am inclined to believe, however, that if we were to press this view at the moment, we would not get a particularly sympathetic response.

This letter will not, I realize, be particularly helpful to you in clarifying the problem. I think, however, it is simply too early to commit ourselves firmly on matters of procedure. Perhaps the most useful contribution we can make to the discussion will stem from an attempt to clarify our own minds on NATO strategy and Canada's role therein. The "pilot study" suggested by Mr. Robertson in the course of your meeting on February 28 may be the most desirable Canadian approach at this time. I think as well that the idea of Mr. Bryce of a number of bilateral discussions in other capitals may be worth further exploration. It would seem only sensible that those bilateral discussions take place at least with U.K. and U.S. officials. I hope that, as time goes on, we will be able to make contributions to your thinking from here. I would repeat, however, my hope that you will continue to provide us with your tentative views as they develop without waiting until they have gone through the process of becoming instructions. I do not believe that Canada is in the position to take too much initiative in these discussions but I do believe it essential that we explore the ground as thoroughly as possible from a Canadian viewpoint in order that, when the appropriate time comes, we can make a solid Canadian contribution to the general discussion.

Yours sincerely,

JULES LÉGER

300.

DEA/50030-AG-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, April 13, 1961

NATO DEFENCE POLICY

While the meeting of NATO Foreign Ministers in Oslo will be principally concerned with political problems of the Alliance it is almost certain that the efforts of the President of the United States to find a sensible solution for the military problems of the Alliance as set out in his Defence Budget message of March 28⁶⁵ will also impinge on these discussions. Indeed the U.S. Permanent Representative in NATO has officially asked that the problem of NATO's nuclear future be discussed in the NATO Council before the Oslo meeting, following up his interim report on the new Administration's views on NATO defence policy made in the Council on March 29. This memorandum is a first attempt at an analysis of the implications of the United States' views on NATO military questions.

2. As summarized in the brief given to the NATO Ministers in Washington after the talks between Prime Minister Macmillan and President Kennedy on April 8, the United States' views are:

(a) That the basic NATO doctrine contained in the 1956 political directive and in subsequent major military committee papers did not require change but possibly its interpretation should be re-examined;

(b) That NATO was lagging in the provision of conventional forces and should make a determined effort to reach presently planned goals in order that it would have the capacity to force a significant pause following an attack and thereby raise the threshold of the use of nuclear weapons. First priority should be given to this effort to raise effectiveness of conventional forces;

(c) NATO has a substantial nuclear power and this nuclear power and this nuclear deterrent must be maintained;

(d) The United States intended to continue to maintain nuclear weapons in Europe for NATO purposes;

(e) It "could be expected," according to Finletter, that Polaris submarines would be committed to NATO in the future.

3. In essence what the President of the United States has been saying is that for the time being the principal protection against nuclear attack by Russia against NATO will continue to be provided by the United States retaliatory forces; on the other hand, NATO forces in Europe must be at the same time prepared to defend themselves against attack by Soviet conventional forces without relying unduly on tactical nuclear weapons in the NATO shield. This is to be accomplished by meeting current force goals and particularly by improving the quality and effectiveness of national contributions especially in the field of conventional weapons. For its part the United States is prepared to make substantial contributions in the form of strong, highly mobile forces trained in conventional warfare.

⁶⁵ Voir/See 'Text of President Kennedy's Special Message to Congress on Defense Spending,' *New York Times*, March 29, 1961, p. 16.

4. The main reason for this change of emphasis reflected in the review conducted by Mr. Acheson, is undoubtedly that it is becoming increasingly unconvincing for the United States to say that it will devastate Russia (and get devastated in return) in the event of any Russian military move in the NATO area, in the light of the amazing demonstrations of Soviet capability in long-range missiles underlined only yesterday by the flight in space of a Soviet cosmonaut terminating apparently in a "soft" landing. President Kennedy is concerned to reduce the risks, especially for the U.S.A. of extreme reliance on nuclear weapons in the NATO shield forces, although he has been careful to retain an element of doubt in Russian minds about how the United States might respond to an attack in order to preserve the validity of the Deterrent Policy. Thus the President in his Defence message said: "in the event of a major aggression that could not be repulsed by conventional forces, we must be prepared to take whatever action with whatever weapons are appropriate."

5. But the trend of United States defence policy is plainly to reserve the use of nuclear weapons for extreme cases. To deal with the possibility of Soviet conventional attack in Europe the United States has proposed a strengthening of conventional forces in order to enable NATO to check the Soviet onslaught without resorting in the first instance to nuclear arms against non-nuclear attacks which would inevitably risk escalation to full nuclear war. To reduce to the minimum the risks of escalation or miscalculation, the President has also emphasized civilian control over all weapons, particularly nuclear weapons. This point was made with emphasis in his message of March 28 as follows:

"The basic decisions on our participation in any conflict and our response to any threat – including all decisions relating to the use of nuclear weapons, or the escalation of a small war into a large one – will be made by the regularly constituted civilian authorities. This requires effective and protected organization, procedures, facilities and communication in the event of attack directed toward this objective, as well as defensive measures designed to insure thoughtful and selective decisions by the civilian authorities."

6. These changes in United States policy the President indicated in his Defence message involve, on the one hand, strengthening the United States missile deterrent by emphasis on the more mobile and invulnerable missile carriers such as Polaris and Minuteman squadrons as well as Skybolts for the United Kingdom deterrent force. On the other hand, as the President indicated, this involves:

- (a) strengthening the United States capacity to meet limited guerrilla warfare;
- (b) extended research on non-nuclear weapons;
- (c) increased flexibility of conventional forces;
- (d) increased non-nuclear capacities of fighter aircraft;
- (e) increased personnel training and readiness for conventional forces.

IMPLICATIONS

1. Canada is in a strong position to give general support to the United States' views on NATO nuclear policy because the Canadian record of fulfilment of existing MC/70 goals quantitatively and qualitatively has been good.

2. The main emphasis in the United States presentation in NATO has been the fulfilment of MC/70 goals and an improvement in the quality of the contributions by the NATO European allies.

3. In NATO nuclear policy the implications of the United States views is clearly centralized control of nuclear weapons which if extended to long range weapons could run counter to the United Kingdom and French independent nuclear deterrents.

4. There is an evident reluctance on the part of the new Administration to equip NATO with a force of Polaris submarines operating under joint allied control as envisaged in the Herter proposals. This no doubt stems from a recognition that the hopes of the previous administration of "buying off" the creation of separate nuclear deterrents by the United Kingdom, France (and perhaps later Germany) were unrealistic and would impose impossible financial demands on the Alliance at the expense of meeting existing force goals.

5. One possible corollary to the argument that NATO should increase its ability to confine our response to non-nuclear weapons, would be to put tactical atomic weapons in reserve under centralized control.

6. For the European members of NATO the main implication of the new United States policy will be increased pressure to raise both the quantity and quality of all NATO forces and particularly the conventional forces to bring them to a level approximating the requirements of MC/70. It will also, no doubt, cause them to seek clarification of the policy of the United States regarding the employment of nuclear weapons in specific situations, because, in General de Gaulle's words, "the continental European states, which are much more exposed, must know exactly with what weapons and in what conditions their overseas allies would participate in the same battle with them."

7. U.S. policy as applied to the other members of NATO, and in particular the European countries, does not apparently mean the abandonment of the requirement for them to develop a tactical nuclear capability as called for in MC/70 but rather the adoption of a schedule of priorities which would call for increased efforts to meet the shortfall of conventional forces in the first instance, both in quantity and quality; therefore, it could involve increased defence expenditures under existing planned force goals unless these goals were modified.

8. For Canada the implications would mainly lie in:

(a) consideration whether any nuclear capability to be supplied by Canada to NATO ground forces should be organized in centrally controlled units rather than assigned in support of the Brigade;

(b) increasing the mobility of Canadian conventionally trained forces by increasing their airlift capacity with Canadian-built aircraft, thus using available Canadian defence production resources more fully. It will be appreciated however, that unless existing Canadian force goals and commitments were modified, the attainment of such increased mobility would involve an increase in the Canadian defence budget.

In the light of the foregoing, after consultation with the Chairman, Chiefs of Staff, on his return from Washington, I suggest that:

(a) our NATO Delegation be instructed next Tuesday to give general support to the United States approach in the review of NATO military matters;

(b) that you consider giving favourable support in any discussions on these matters which may take place in Oslo;

(c) that the implications of the United States views be studied interdepartmentally urgently;

(d) that when this study is complete, consultation take place with the United States authorities through our mission in Washington and with SACEUR;

(e) that a Canadian position on NATO military policy be clarified by approval in Cabinet before the annual Ministerial Meeting next December.

Since this matter will be discussed by the NATO Permanent Representatives next Tuesday I attach for your signature, if you approve, a draft telegram of instructions for Mr. Léger.† Because the Chairman, Chiefs of Staff has been away in Washington all this week it has not yet been possible to obtain his approval. We are, however, sending him this draft today and we

will ensure that any comments of substance which we may receive from him on Monday are brought to your attention for your approval before the message is despatched to Mr. Léger.

If you approve the attached message we would be grateful if it could be returned to Defence Liaison (I) Division to await any comments from the Chairman, Chiefs of Staff.⁶⁶

G. I.[GNATIEFF]
for Under-Secretary of State
for External Affairs

301.

DEA/50219-AL-2-40

*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 945

Paris, April 15, 1961

SECRET. PRIORITY.

Reference: Your DL-548 Apr 7.†

Repeat for Information: CCOS, DM/DND (Priority) from Ottawa, Washington, Permis
New York, London, Bonn, Brussels, Hague, Rome, Paris.

By Bag Ankara, Athens, Copenhagen, Lisbon, Oslo from London.

LONG-TERM PLANNING – NATO NUCLEAR POLICY

I saw General Norstad on April 14 with a view to getting his comments on the present welter of statements from high authorities with respect to NATO's military future. I sought as well to get his views on the points raised in your reference telegram. While the conversation ranged over a variety of topics I shall attempt to group under a few headings what I regard as the most important expressions of Norstad's views.

2. *Revision of NATO Strategy.* While being careful not repeat not to criticize in any way the recent statements made by his government at the highest level, General Norstad went to some length to point out that he as the Supreme Commander knew of no repeat no new strategic concept which was being planned or even suggested by USA Government for NATO. The emphasis given in a number of recent public statements to the requirements for increasing the conventional capabilities of NATO shield forces was one which he (Norstad) had been urging for four years; so too was the pause concept. He referred to the briefing which he had given last week to the Military Committee in Chiefs of Staff session in Washington and indicated very briefly the outline which he had given the Military Committee of future military requirements of the Alliance as he saw them. We presume that you will be receiving a more detailed account of this briefing from National Defence. In brief he said that he had indicated to the Military Committee that the conventional forces available to him were sufficient in quantity. He had urged however that their equipment be improved, that their operational capability be increased, and that above all they be given tactical mobility. He said that what he meant by tactical mobility was the provision of simple "wheels and tracks" and not repeat not anything elaborate in the way of major airlift capabilities. He said quite bluntly that he neither needed nor wanted more paper divisions. If the members of the Alliance could bring their presently assigned units to something like 95 percent manning and could provide them with equipment which was presently on sale he would have an adequate fighting force. One other

⁶⁶ Approved by SSEA 15/4. Not to be sent until CCOS comments received. [Ross Campbell]

important feature so far as he was concerned was that the forces should be given a greater ability to survive hostile actions.

3. *Nuclear Weapons.* Turning then to NATO's nuclear capability he said again that the emphasis in recent public statements was an emphasis which he himself had developed over the last few years. He said he thought that President Kennedy's mention of his (Norstad) name in his address to the Military Committee had been deliberate in order to indicate the Administration's general support of the requirements which Norstad had put forward. Norstad said that he believed USA should and would commit Polaris submarines to the needs of the Alliance (perhaps five to ten submarines). In his view there should be "no repeat no others in the world." In other words he did not repeat not personally support the idea that Polaris submarines should be sold or given to other individual members of the Alliance. He said the first bid for such submarines had already been made by the Germans who had not repeat not only offered to pay for them but to pay in advance and to pay a price which would give a good profit to the sellers. He did not repeat not think it politically wise that there should be a proliferation of Polaris submarines. They raised problems of control of the most sophisticated sort to which his own government was devoting the maximum of attention.

4. In his own view the essential nuclear capability of NATO should be made up of a balance of USA Polaris submarines and mobile land-based MRBMs. These latter MRBMs should have built-in control features. General Norstad was obviously referring to the truck-mounted weapons system on which we reported after our interview with him on January 26. He added that in his estimation MRBMs were "essentially a European animal." They could not repeat not be forced upon the European members of the Alliance but those members had to reach decision to have MRBMs and to suggest control procedures. He said as well he was convinced that USA would offer the Polaris submarines to NATO on the same basis as the assignment of the Sixth Fleet. He reminded us that paragraph 12 of MC38/3 assigned the Sixth Fleet to him as SACEUR.

5. Speaking in more general terms about the nuclear problem he repeated briefly another element of his briefing to the Military Committee last week in which he had repeated his often stated view that atomic and nuclear weapons must be used by NATO forces whenever necessary but that the threshold of their introduction into the battle should be as high as possible. He believed as well that they could be introduced only as the result of a particular decision at a high level, the conditions for which must be predetermined to the greatest degree possible. It was his own strong view that the selective use of atomic weapons would not repeat not result in total war. Their use could even serve as a warning "shot across the bow," i.e. selected targets could be engaged with low yield atomic weapons of great accuracy to warn against future aggression by an attacker. Closer cooperation was required between the political and military authorities of national governments under this concept than was true for implementation of the concept of massive retaliation. If the die were cast for the use of major strategic forces a process was set in operation which required little political control. Essentially under such a concept one threw all one's power as quickly as one could into a do or die effort. On the contrary the selective use of atomic weapons to make the deterrent fully effective and to prevent the move to mutual suicide required much greater integration between civilian and military authorities.

6. General Norstad spoke briefly and in terms which would be familiar to you from our earlier reports about his understanding of the control problem. He emphasized once again that public statements gave the impression that a new control problem was raised because of some new idea of a NATO nuclear force. This was simply not repeat not true. There were atomic weapons in NATO at this moment and there would always be atomic weapons; the control problem therefore was not related to any new force requirement which he (Norstad) might put

forward, but existed today. We were as he put in a “power game whether we like it or not repeat not.” NATO must have the power to offset that of the potential aggressor, but having it we must be able to control it. It did not repeat not make sense to him that we could allow the relative power of the potential aggressor to increase vis-à-vis our own. He went on to say that in all his many soundings in Europe he could say quite flatly that no repeat no governmental opposition existed to the provision of nuclear weapons for NATO forces in Europe. He said as well that he had been approached by a number of senior French civilian and military authorities who urged him to find a method of integration which would permit France at an appropriate time to cease production of their own atomic weapons. He had been urged to do all he could to develop NATO control of its atomic forces so that when political situation permitted France could adhere to the system.

7. *Force Goals.* General Norstad reviewed very briefly the method which he proposed to follow in briefing countries on the new force goals for the 1966 period. We were not repeat not able to follow all his detailed comments in this context but understand that they were outlined to the chiefs of staff when he spoke to the Military Committee recently. We did understand that he will invite representatives of Department of Defence to come to SHAPE for briefings beginning early in May. These briefings will cover the broad strategic concept, overall NATO force requirements for 1966, individual country breakdowns for 1966, and the detailed, country force programmes for 1962 to 1964. While speaking on this subject he rapidly outlined the figures involved in his new requests which certainly gave the impression that his new force requirements are more of a development or a modernization of present weapons than a striking increase in the nuclear capability of existing forces.

8. *Oslo Meeting.* Finally and almost as an aside to our conversation General Norstad left an impression that Mr. Rusk might at Oslo reaffirm most of the Herter proposals of last December. He suggested that he would probably indicate that USA forces will be left in Europe, that Polaris submarines will be made available for NATO defence, that USA stockpiles will remain in Europe, and that USA would be willing to explore the concept of increasing the authority of the Alliance over the atomic stockpile as a whole. He suggested that Mr. Rusk would express USA interest as well in the creation of a multilateral NATO MRBM force but would give clear indication that USA thought this was essentially a European decision to take. I would suggest that we should perhaps make an attempt to find out more certainly in Washington of Mr. Rusk’s plans in this regard.

[JULES] LÉGER

302.

DEA/50219-AL-2-40

*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-585

Ottawa, April 17, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 894 Apr. 12.†

Repeat for Information: Washington, Perm New York, London, Paris, Bonn, Brussels, The Hague, Rome, CCOS (Priority).

LONG-TERM PLANNING – NATO NUCLEAR POLICY

As we indicated in our telegram No. DL-548 of April 7† we are in favour of continuing these exchanges between the Permanent Representatives. For the purpose of the discussion on Tuesday we suggest that you should continue to be guided by the considerations set forth in our message under reference as well as by the following points which reflect Canadian preliminary views:

(1) We are generally in accord with the trend of thinking on NATO strategy evident in Mr. Finletter's statement and in the report of the Kennedy-Macmillan talks and you should express support for the general line being followed by the USA delegation. In particular we believe that it is highly important to improve NATO's capability to check a Soviet conventional attack without resorting in the first instance to the use of nuclear weapons by NATO shield forces.

(2) We would agree with the main emphasis in the USA presentation on the fulfilment of MC/70 goals as a means of achieving this aim, with priority being given to shortfalls in the quantity and quality of conventional forces.

(3) It may be worth bearing in mind that Canadian Representatives have consistently emphasized the need to meet currently agreed forces goals and have stressed the importance of ensuring that the forces contributed are of a high quality and equipped with the most up-to-date equipment. Moreover, we have drawn attention to the fact that the results of the annual review have indicated a wide degree of variance in the progress which individual countries of the Alliance have made in respect of achieving the overall force goals based on MC/70.

(4) We also share the view that it is of the utmost importance to reduce to the minimum the risks of accident, miscalculation and escalation. In this connection the question of ensuring effective controls over the use of nuclear weapons in the NATO shield forces is of the utmost importance. These controls must be (i) military, to eliminate as far as possible the risk of war by accident and (ii) political, to ensure that such weapons are only used on the basis of decisions taken at the highest level of political authority.

(5) It remains a matter for careful analysis and study what arrangements can be made for introducing a workable and acceptable system of political controls over the use of nuclear weapons by NATO forces.

[H.C.] GREEN

303.

DEA/50102-AC-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 1079

Paris, April 28, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel DL-648 Apr 26.†

Repeat for Information: Washington, Permis New York, London, Paris, Bonn, Brussels, Hague, Rome, CCOS, DM/DND (OpImmmediate) from Ottawa.

By Bag Ankara, Athens, Copenhagen, Oslo from London.

LONG TERM PLANNING – NUCLEAR POLICY

Our report on Council meeting of April 26 (our telegram 1061 April 26)† had gone forward before receipt of your reference telegram. You will note from that report that a Secretariat

document (PO(61) 448) summing up the important considerations concerning NATO strategy and nuclear weapons which have been touched on in various meetings of the Council will be going forward by bag on April 28. We believe that it will meet your request for a background paper insofar as the main elements of the discussions to date are concerned. It does not repeat not however deal with the positions adopted by various members of the Council. We shall therefore in this telegram give our impressions on this score. Before doing that we would suggest that the most useful documents for the delegation's brief on this subject would be the following: The new Secretariat paper PO(61) 448; the UK paper TYP/UK(61)1; Finletter's most recent statement (our telegram 1054 April 26);† General Norstad's address to the NATO parliamentarians on November 21/60; and President Kennedy's address to the Military Committee earlier, this month (Washington telegram 1134 April 11).† The general accounts of Acheson's views provided in Washington telegram 1098 April 6† and our telegram 1024 April 21† might also be useful as general background in the delegation brief. We would hope it would be possible that the delegation could bring from Ottawa one or two copies of MC48/2, MC14/2 and the political directive CM56/138. All of these documents are in very short supply and it would be very useful for us if one copy of each could be brought over to be left with us in Paris.

2. The USA and UK delegations have taken fairly well-defined positions as indicated in the UK paper and in a number of statements by Finletter particularly his most recent statement on April 26. Both delegations have indicated that their authorities would be reluctant to support the idea of a redrafting of the political directive and of the strategic papers which have flowed from it. USA in particular has taken a strong line that these documents are flexible enough to allow the necessary interpretations required to meet NATO military needs in the foreseeable future. I think it is safe to say that this view is shared by most delegations who have spoken in the course of the discussions. We believe this view is also shared by the Secretary-General.

3. While there is then a general reluctance evident in the Council to contemplate the redrafting of basic papers in this field there is nonetheless a general recognition that NATO strategy must be discussed seriously and at length in the Council because (a) the nature of the weapons is changing and nuclear weapons are becoming more readily available; (b) the cost of the weapons is increasing; (c) the nature of the Soviet military threat may be changing somewhat; and (d) there is need for greater clarity and understanding on the means of joint control over the use of NATO's nuclear weapons. Aside from these points there are other problems of a more national character which suggest the necessity of Council consideration of the problem. Most important of these are the determination of General de Gaulle to develop a national nuclear force and to limit his cooperation with NATO in this field; the restrictive USA approach whereby nuclear warheads remain in USA custody and the UK possession of warheads. There is concern as well to find a framework which will continue to contain a growing German military power within the Alliance, especially in the days after Adenauer. Finally I believe that although there has been some temporary soft-peddling of the USA views which characterized the last days of the Eisenhower administration that Europe could afford to devote greater resources to its own defences, this view will come to the fore again.

4. The views of General Norstad cannot be neglected in any general approach on this subject and while we have reported them in some detail over the past few months we think we should highlight in this message one of his general themes. Norstad has gone to some length to argue both privately and publicly that, contrary to many reports, the force requirements which he has put forward for the period ahead are not repeat not revolutionary. He regards those force requirements as evolutionary and essential for him to have if he is to carry out the responsibilities given to him as Supreme Commander. Following on from the general position he emphasizes the following: (a) the necessity for member governments to meet MC70 standards; (b) the requirement for effective foolproof communications to enable military

control of nuclear weapons; (c) the need to give ground forces mobility; (d) the need to enhance the survivability of present weapons systems and particularly of aircraft; and (e) the increased importance of modernizing conventional weapons available to the Alliance.

5. When it comes to details there is little common agreement. The European members of the Alliance, particularly the less powerful ones such as the Benelux countries, Greece and Turkey, have registered strong opposition to the concept of a limited war in Europe which is given attention in the UK paper. Representatives of these governments have taken a strong line in the discussions that any substantial Soviet attack should be met with the full strength of the Alliance from the outset. There should be no repeat no question of sacrificing territory in an initial phase against the possibility of winning it back at some later stage. This point of view has perhaps been put most clearly in the Italian paper submitted early in the new year. It is safe to assume that these members of the Council will continue to regard with great caution the idea of a limited war and even the idea of the pause.

6. Again there is division of opinion, although in our estimation not repeat not so fundamental as in the case of the limited war concept, on the emphasis given in recent USA contributions to the discussion on giving priority to the building up of the conventional forces and equipment of the Alliance. I think there is general agreement that the idea of raising the threshold of the use of atomic weapons is both desirable and necessary. If however this presupposes a much enlarged expenditure by the European members of the Alliance on conventional equipment doubts have been expressed as to where the money will come from. A number of European representatives, including those of Germany, Belgium and the Netherlands, have said that it will simply not repeat not be possible to build up two types of forces, one for conventional war and another for atomic war. The question here then is more a matter of financial problems than of anything else. The UK on the other hand makes little mystery of the fact that they cannot meet MC70 manpower requirements on the continent.

7. Insofar as the question of control of nuclear weapons and indeed of all NATO weapons is concerned there are even more varied opinions. Really no repeat no delegation has committed itself very far in this field beyond a general indication that the matter must be studied. The suggestion made by General Norstad that attention should be given first to attempting to work out some rules of engagement for the nuclear weapons of the Alliance may gain favour although it is looked on with a great deal of scepticism for the moment by some, particularly the Norwegian representative. It is likely to be supported by the USA representative, less so by the UK representative and fairly strongly by the new Secretary-General. There is a measure of agreement that any control system which may be developed must be secure, capable of rapid implementation, serviced by reliable communications and subject to political authority. The Secretary-General before he left the Netherlands chair suggested that an examination might be made of the delegation of control responsibilities to a restricted group of countries or that a system of reaching decisions in the Council by a simple majority and weighted votes might be looked at. This has not repeat not yet been picked up by any other member of the Council but we can expect to hear more of it from Stikker as Secretary-General.

8. The financing of new weapons requirements for NATO while recognized as a problem has been given scarcely any serious attention to date in the Council. Indeed the first concrete suggestion to be made on this score was made only on April 26 in Finletter's statement. That was to the effect that Council should develop a five year projection of increased resources that might be made available to NATO defence programmes. The idea of the multilateral financing of weapons may gain strength as the discussion continues. There may at some stage be some suggestion that the principles and procedures which have worked fairly successfully in the field of infrastructure could be applied to weapons systems themselves. The problem is real and will have to be faced. USA has indicated that it will be prepared to explore with members

of the Alliance who clearly need help in achieving their foregoals what might be provided most effectively in the form of military assistance.

9. The problem of how the military authorities of the Alliance are to be associated with these discussions of military strategy and weapons has been mentioned but has not repeat not been given serious study. It will come to the fore as the discussions continue. There is a recognition in the Council that the liaison between the Council, the Standing Group and the Military Committee has not repeat not been rapid or effective. One major change has occurred with the assumption of the office of Secretary-General by Stikker. His relations with Norstad in particular and with the military authorities in SHAPE in general will certainly be much closer than those of Spaak. This is bound to have some effect on the Council discussions. It will not repeat not necessarily however aid in the solution of better liaison with the Military Committee.

10. There has been some renewed discussion of the problem of balanced forces and integration. The Germans as you are aware under the personal initiative of Mr. Strauss have put forward very specific views on the integration of logistic support. We can expect this German emphasis to be continued. We are aware as well from Acheson's comments that his study group were impressed with the need to make some progress on the integration of forces within the Alliance, a matter which has been accepted in principle from the earliest days of the Alliance but which has been given little practical effect. The military authorities have been assigned the tasks by the Council to continue their studies on this score. On the other hand only as recently as this week the Netherlands representative pointed out that even such a seemingly natural group as the Benelux countries would find it difficult to give concrete form to principles of integration unless they could receive direct and unmistakable assurances from the more powerful members of the Alliance that their national interests would be guarded.

11. These are in summary form our impressions of the attitudes of some members of the Alliance towards the principal elements which emerge so far from the Council's study of NATO strategy. Our impressions cannot repeat not be too specific or too strong since there has not repeat not been a great deal of searching discussion as yet. We are inclined to believe that with the publicly expressed determination of the USA to make improvements in this field and with the personality of the new USA representative, Finletter, we are likely to see more substantive discussion in the forthcoming weeks. Stikker as well will keep steady but moderate pressure on the Council in this field. On the other hand we have been given no repeat no indication as yet that USA, UK and France are working towards a better coordination or cooperation in their national endeavours. Unless this is done the atomic policy of the Alliance will not repeat not be satisfactorily integrated.

12. Four our own part we have not repeat not taken a prominent role in the discussions. We have made use of your instructions as circumstances permitted. We have emphasised in particular that the greater the military power of the organization becomes the more essential it will be to develop real and effective consultation. We have pointed out as well that the political purpose of NATO strength must not repeat not be forgotten i.e. that we have built this military strength in order to be in a better position to negotiate with the other side. Some of the immediate problems are perhaps more clearly European but the problem of control will affect the North American members equally as well as the European members of the Alliance. Our experience in working out joint defence arrangements with the USA may at some time be useful in the discussions which lie ahead. From now on we shall have to pay close attention to developments in this area.

304.

DEA/50219-AL-2-40

*Le président du Comité des chefs d'état-major,
au sous-secrétaire d'État aux Affaires extérieures*
*Chairman, Chiefs of Staff,
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, May 9, 1961

NATO LONG TERM PLANNING – DEFENCE STRATEGY

1. As requested in your letter dated 28 April 1961,[†] the following comments are submitted concerning the recent discussions in NAC on NATO strategy and, in particular, the US position as stated to NAC on 26 April by the US Permanent Representative.

US Position

2. The review of NATO affairs by the new US Administration has served to focus attention on NATO's problems and, in the field of military strategy, to suggest remedies which have been apparent for some time. It represents a clearer statement of US strategic doctrine and a determination to face up to the implications of this doctrine, but it does not represent any significant change in strategic policy. The theme of Mr. Finletter's statement to Council indicates that:

(a) The US is concerned regarding neglect of the conventional forces of the alliance. The US reaffirms its intention to retain its forces in Europe and improve their conventional capability. At the same time, they expect European nations to give high priority to meeting their MC 70 commitments both in quantity and quality.

(b) The nuclear capability of the shield forces, while not meeting the full requirement of NATO Commanders, is formidable. The US intends to keep it that way. The US offer of an independent NATO nuclear deterrent force made by Mr. Herter last December still stands, and if nations, having met their conventional force requirement, wish to take the matter up, they are welcome to do so.⁶⁷

(c) The US obviously sees no early solution to the problem of NATO political control of the decision to use nuclear weapons. While agreeing that such control is desirable, they throw the ball firmly back to the European members to find a solution. Whatever this solution may be, they will not allow themselves to be placed in a position of being forced into or being prevented from using nuclear weapons, by European nations.

(d) The military requirements are clear. Their fulfilment is impeded by political and economic factors. The way ahead lies in closer co-operation or integration of effort.

Nuclear Strategy and Control

3. If Canadian policy on NATO strategy can be regarded as upholding NATO objectives while:

(a) ensuring that nuclear weapons are only used on the basis of decision taken at the highest level of political authority,

(b) not endangering the chances of negotiating a universal and comprehensive disarmament treaty by letting nuclear weapons get out of hand,

⁶⁷ Note marginale :/Marginal note:
Does not stand. [Auteur inconnu/Author unknown]

(c) preventing the unnecessary build-up of autonomous national atomic forces in order not to prejudice stability or disarmament, and

(d) not detracting from the main purpose of nuclear weapons as a deterrent to war, Canada can find little to differ with in the US position as outlined to the NATO council.

4. Because NATO nuclear weapons are largely in the hands of US forces, the decision to invoke the use of nuclear weapons effectively rests with one person, the President of the United States. From the military viewpoint this solution is probably the most practical one. Any measure of political compromise in this regard can only weaken the decision making process.

5. Furthermore, US custodianship of the West's nuclear arsenal tends to prevent the spread of nuclear weapons.

6. It is true that in the absence of a nuclear force which NATO "can call its own," the temptation of members, as in the case of France and Britain to build autonomous national nuclear forces is great. This desire is a direct result of the questionable credibility of the US deterrent, the wish to play a greater part in the councils of the alliance and the political cross currents which have beset Western Europe for many decades.

7. The problem of resolving the military need for prompt action in the decision making process with the political requirements of individual members of the alliance should continue on the agenda of discussion. In the absence of complete political integration in Europe, a situation which would automatically resolve the outstanding issues, US custody and control of the means of waging nuclear war is the best solution.

Conventional Capability

8. When faced with the possibility that the USSR, with its superior conventional capability, may be tempted to engage in limited conventional war under the umbrella of their growing missile capability, Canada cannot but support a balance of forces which would ensure deterrence to any form of Soviet attack in the NATO area.

9. The establishment of a better balance of forces within NATO by strengthening the conventional capability could play an important part in future disarmament deliberations. In the absence of any unilateral move on the part of the Warsaw Pact powers to reduce their conventional forces to near equality with NATO, the alternative is for NATO to increase her strength so that a common point of departure towards balanced reductions may be established.

10. A strong NATO conventional capability which is designed to raise the threshold at which nuclear weapons need to be introduced in to the battle, and thus increase time for decision making, is in line with Canada's view that the decision to use nuclear weapons should be taken at the highest level of political authority.

11. From a military point of view, NATO is not in bad shape and, if nations would fulfill their MC 70 commitments, it would be in good shape. This means only that nations should do what they have solemnly promised to do. Since Canada has by and large fulfilled her commitments, she is in a good position to press for other member countries to do so.

F.R. MILLER

305.

DEA/50219-AL-2-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour la 1^{ère} Direction de liaison avec la Défense*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Defence Liaison (1) Division*

TOP SECRET

Ottawa, September 12, 1961

NATO AND NUCLEAR WEAPONS

As a matter of special confidence, Dr. Stikker told me that he had discussed with the Prime Minister his ideas about NATO control over nuclear weapons. The ideas he had expressed were based on views which he had put forward in the SHAPE "X" exercise. He had discussed these ideas with SACEUR and with Dr. Adenauer.

2. These ideas were that the circumstances under which nuclear weapons might be used might be divided into three categories:

- (a) surprise attack;
- (b) massive conventional attack;
- (c) various limited forms of aggression which would have to be considered case by case.

3. As to "a" and "b", Dr. Stikker thought that there should be an understanding arrived at in the Alliance that in the event of surprise attack with nuclear weapons or with a massive conventional attack NATO would retaliate with all forces available.

4. As regards category "c", he thought that arrangements could be worked out to enable the Council to decide whether to authorize the use of nuclear weapons and what particular types of nuclear weapons by some form of weighted voting.

5. The Prime Minister, Dr. Stikker said, made careful notes and checked his understanding of Dr. Stikker's ideas. We should therefore at once look up any relevant information in the files of the Department, to be prepared to answer any queries from the Prime Minister.

G. I.[GNATIEFF]

306.

DEA/50219-AL-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*

SECRET

[Ottawa], September 25, 1961

NATO – BILATERAL AND MULTILATERAL CONTROL
OVER THE USE OF NUCLEAR WEAPONS

When Mr. Stikker was in Ottawa recently he raised, in the course of his talks here, the problem of control of nuclear weapons in NATO in relation to the present crisis in Berlin in two ways:

- (a) the problem of multilateral political control over nuclear weapons in NATO; and
- (b) the problem of authorization of possible use of nuclear weapons in the event that the present emergency over Berlin gives rise to hostilities.

The Secretary-General also mentioned his ideas for political control by the Council and, in particular, his suggestion for a weighted voting system.

2. The attached paper† examines some of the more important implications of this problem. Part I of the paper deals with the question of control over the use of nuclear weapons in NATO. Its main recommendation is that, if a decision is taken to acquire nuclear weapons for Canadian forces, it would seem to be in the Canadian interest to work for a multilateral arrangement for the political control over the use of nuclear weapons by NATO forces under SACEUR in addition to any bilateral arrangements which may be entered into between Canada and the U.S.A. regarding the control of nuclear warheads to be used by Canadian forces or U.S.A. forces on or over Canadian territory.

3. Part II of the paper discusses some of the risks of escalation involved in using nuclear weapons in Europe. Its main recommendations are that:

(a) we seek clarification of precisely what instructions have been given to SACEUR and by SACEUR to subordinate commanders on the issue of and possible use of nuclear warheads;

(b) Mr. Léger be instructed to discuss with the Secretary-General and the other delegations the development of adequate and effective control by NATO Governments through the NATO Council in order to ensure that any use of nuclear weapons results from a political decision and not as a military response to any foreseen or unforeseen contingency or provocation;

(c) Mr. Léger be instructed to stress the risks of escalation during any discussion in the Council of contingency planning in relation to Berlin.

4. If you agree with the general line taken in these papers, I would recommend:

(1) that a copy might be sent to the Prime Minister for his information;

(2) that a copy be sent to the Department of National Defence for comments;

(3) that a copy be sent to Mr. Léger for comments;

(4) that after consultation with the Department of National Defence, instructions be sent to the Canadian Delegation on the basis of these papers.⁶⁸

N.A. R[OBERTSON]

4^e PARTIE/PART 4

EXAMEN ANNUEL
ANNUAL REVIEW

307.

DEA/50107-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 3131

Paris, November 21, 1961

SECRET

Repeat for Information: CCOS, DM/DND from CCOS, Finance Ottawa, DDP Ottawa from Ottawa.

⁶⁸ Note marginale :/Marginal note:

The SSEA does not want the Dept. to take the initiative in raising any of these problems at this time.
R. C[ampbell] 29/9

INTERIM REVIEW – CANADIAN EXAMINATION

Canadian examination was held on November 20. By reason of the requirement for a special meeting of Council on same afternoon, our examination was considerably shorter than in previous years. In addition, the extremely useful material which you provided us with in a series of recent messages put us in a position to deal most expeditiously with questions asked by military authorities and the international staff. We shall not repeat not, in this message, go over details of our answers since they were based directly on material which you provided. We will send you by bag copies of prepared material which was used in the course of examination.

2. Gregh commented briefly on our opening statement (your telegram DL-1489 November 15)† picking up the emphasis in that statement on Canadian efforts in the Canada-USA region. He said that it was perhaps unfortunate that by reason of the structure of the command details of the military effort made in the Canada-USA region were outside the scope of the Annual Review Committee. He emphasised however that the international staff appreciated the importance of the efforts expended by Canadian and USA Governments in that area of such great importance to the Alliance as a whole. He said the international staff had been particularly grateful for opportunity provided them this year to visit Canada and to get a clearer understanding of what we were doing in the Canada-USA region.

3. Military items as listed in subparagraphs (a) and (b) of agenda (document AC19-A/292) were taken up next and use was made of information which you provided in a number of telegrams including DL-1493 November 16.† In the course of discussion we were questioned on following points: replacement of ships and naval aircraft nearing obsolescence, problem of air defence of the aircraft carrier and escorts, mechanization of the Canadian brigade group, the possibility of pre-stocking of heavy equipment and supplies in connection with the possible deployment of the M-Day infantry division to Europe, survival capability of First Canadian Air Division, air crew-aircraft ratio of the Air Division, and possible plans for the transport of the M-Day Division to Europe.

4. While we will not repeat not attempt to cover this discussion in any detail since you are fully familiar with the answers which we gave, we think it would be useful to summarize a few of the points made by our questioners. The Standing Group representative before any military comments were made said that it was the overall judgment of the NATO military authorities that Canadian effort was an extremely satisfying one. He expressed the hope therefore that the “marginal comments” which would be made concerning Canada’s military effort would be thought of and accepted within the framework of this overall judgment. SACLANT’s representative in dealing with naval questions expressed SACLANT’s hope that an early decision would be taken with respect to the ASW helicopter for the McKenzie class destroyers. He pointed out that experience proved that there was considerable time lag between the taking of the decision and the procurement of the hardware; the earlier the decision therefore the earlier the hardware would be provided. As far as air defense of the escorts was concerned, he said that SACLANT was fully aware of Canadian problems but must continue to express his concern at lack of progress made in meeting the military requirement in this context. In dealing with the submarine, SACLANT’s representative used the formula reported in our telegram 3067 November 15† which was in effect a request from SACLANT for the provision of substantive information with respect to Canadian attitude as soon as possible.

5. Our comments with respect to mechanization of the Brigade Group were noted. Standing Group representative did express disappointment that the provision of the Bobcat would be delayed until 1964-65. He expressed the hope that the problems connected with the procurement of this equipment could be solved more quickly than was now contemplated so that the Bobcat could come into service much earlier. The Standing Group’s comments on our

answer with respect to survivability was simply to emphasise once again SACEUR's conviction that this was a serious and continuing problem.

6. Gregh, in the course of discussion of military items, made two points of substance. He recognized that a real Canadian effort was being made to bring naval equipment up to date but he had as well to accept the expression of concern by SACLANC on a number of points. Canada seemed to be in same position as a number of other countries in making a choice between the better and the best. He had been struck in the course of this interim review by the recurrence of this common problem that governments faced of attempting to make decisions to acquire "almost perfect" equipment. This approach was of course rational and reasonable. If however it led to undue delay in getting any new equipment, perfection might have to be reconsidered. He hoped Canadian authorities would establish a proper balance between perfection and improvement in equipment. Similarly he commented in general terms on survival question. Survival capability of almost all air forces in central Europe had been raised in the course of the interim review. The "fragmentary replies" from many countries suggested that perhaps a "horizontal" study of problem should be made by military and civilian authorities together. The various factors of dispersal, hardening and VTOL aircraft had been mentioned as possible solutions yet there seemed to be no repeat no common denominator of views. He believed Secretary-General would probably propose some such horizontal study of question in his overall summary appraisal of this years interim review.

7. Under Item C of Agenda, i.e. "plans of action," we made two statements based largely on the paper which you indicated in your telegram 1492 November 16[†] had been approved by Panel. The Standing Group representative commented simply that Canadian response in military terms had been extremely satisfying. USA representative addressed himself to the indication we had given that a supplementary estimate would have to be sought to cover the financial implications. He said it was extremely encouraging to find a member of the Alliance who was willing to provide more money to meet emergencies than had been forecast.

8. Under Item D of Agenda, i.e. "finance and economy" we made two statements, one which was a slightly revised version of the material which we had already given the staff on the basis of your telegram DL-1473 November 10.[†] The other was statement on mutual assistance, the text of which was that contained in your telegram DL-1501 November 16.[†] We had on November 18 been able to arrange a meeting between Mr. Plumtre, Mr. MacNeill and ourselves on the one hand and the International Staff, with Gregh as Chairman, on the other. In the course of that discussion we had a full opportunity to develop the points made in your DL-1473 and to reach tentative agreement with the staff on the kind of amendments which might be made in the draft chapter. In that sense therefore the handling of Item D on the Agenda had been fairly well stage managed in advance. We made the same points and Gregh responded to a degree as if he was hearing them for the first time. We will follow up question with the staff in the next day or two and provide you with an indication of the kind of amendments on which we can get agreement. We were extremely grateful that Mr. Plumtre could find time to meet with the staff in advance of the examination.

9. In the course of the examination Gregh, speaking in response to our statement, did express the hope that Canadian authorities would see their way clear to making even a greater military contribution. He admitted that in almost every respect Canadian military effort met the standards set by military authorities. He recognized that Canada was facing certain real economic difficulties. However it was true that in the 1953-54 period Canada had spent a proportionately higher percentage of her GNP on defence and he could only hope that with the increased pressures on the Alliance Canadian authorities would at some time see their way clear to getting back to the levels of expenditures of these earlier years. Turning then to our statement with respect to mutual aid, he pleaded for perhaps greater flexibility in our thinking.

He emphasised that the staff did not repeat not misunderstand what we meant by ad hoc mutual aid and had not repeat not intended their references in this respect to be taken as criticism. Staff did hope that Canada would actively seek other opportunities to implement its policy. He then developed an argument which we had developed more directly in speaking to us privately on November 18. The International Staff did believe that many European countries were now in a position to help the less favoured nations of the Alliance. At the same time it continued to be of crucial importance that Canadian aid be continued. There were certain members of the Alliance who were underdeveloped. The more members of the Alliance who could help to bring these countries along the easier the task would be for all. There was a continued role for Canada to play in this cooperative venture. In the course of the long statement which he made under this item he prepared the way for the acceptance of amendments which we had already discussed with him.

10. In our closing statement we said simply that the international staff seemed to think that Canada was better off than we did ourselves. If we were right we would have to continue to deal with major economic problems. If the staff was right it might be possible to look at "marginal comments." Canadian approach to these problems was pragmatic and in the end we had produced the hardware and the manpower which was needed. Indeed we had exceeded our commitments in response to the Berlin emergency. We referred again to the Prime Minister's comments which were included in the opening statement pointing out that the Atlantic community was imbedded within our own borders and that the Alliance could continue to count on our cooperation to meet the military threat to that community.

308.

DEA/50107-M-40

*Extrait d'un rapport de la Délégation canadienne
auprès du Conseil de l'Atlantique nord*

*Extract of Report by Canadian Delegation
to North Atlantic Council*

CONFIDENTIAL.

[Paris], November 20, 1961

NATO ANNUAL REVIEW – CANADIAN EXAMINATION
OPENING STATEMENT BY THE CANADIAN DELEGATION

Mr. Chairman and Members of the Annual Review Committee:

We welcome this opportunity once again to review the Canadian defence programme which, as in previous years, is mainly devoted to providing our share of the collective effort necessary to maintain the deterrent capacity and defensive strength of NATO forces in the NATO area, including the Canada-United States Region. The Prime Minister of Canada made clear earlier this year that support for the NATO alliance continues to be one of the major elements of Canadian foreign and defence policy when he stated: "Canadian defence and foreign policy are based on the realization that an equilibrium of power is essential to the preservation of peace. Commitments under NATO have become a measure of our stake in the defence of the whole Atlantic community and a part of the effort to achieve a balance in the world ... We are part of the Atlantic community. Our past and future make us that. When the Atlantic community is threatened, so is Canada." In this opening statement I propose only to touch on the main developments during the past year. I shall not attempt to go over the programme as a whole or to comment on the Draft Chapter which will, I feel certain, be covered adequately during the course of the examination. Since last year's Annual Review examination, there have been two important developments relating first to the defence of the

Canada-United States Region of the Alliance and second to preparedness measures in the light of Soviet policy in respect of Germany and Berlin.

2. For some time representatives of the Canadian and United States Governments had been exploring the possibility of an arrangement which would ensure more effective use of the productive capacities, skills and resources of each country and at the same time demonstrate our mutual determination to improve the defensive strength of NATO and particularly of the air defence arrangements in the Canada-United States Region.

3. An agreement to attain these important objectives was concluded with the United States in June of this year. Under the terms of this agreement, Canada has assumed responsibility for the manning, operation and maintenance of eleven Pinetree System radar stations and financial responsibility for five Pinetree System radar stations which have hitherto been the responsibility of the United States.

4. The second main element in this agreement with the United States provided for the re-equipment of Canadian air defence squadrons in the Canada-United States Region with sixty-six F-101 interceptor aircraft and appropriate support equipment which will replace CF-100 aircraft heretofore operating with Canadian squadrons under NORAD.

5. In the third place, Canada and the United States have agreed to contribute 200 million dollars, of which the Canadian share will be 50 million dollars and the United States share 150 million dollars, for the procurement in Canada of a number of F-104G aircraft, associated support equipment and initial spares. The aircraft procured will enable Canada and the United States to make a significant contribution to the collective strength of the Alliance under our respective mutual aid and defence assistance programmes.

6. The other main development relates to Canada's preparedness measures. Last September, in the light of the deteriorating international situation, and in particular because of Soviet policy with respect to Germany and Berlin, the Government decided to take several steps to bring existing Canadian forces to a higher state of preparedness and to make more effective contribution of the armed forces to civil defence arrangements in Canada.

7. In the terms of our NATO contribution, these steps involve:

- (1) an increase in ship complements of the Royal Canadian Navy amounting to approximately 1750 officers and men;
- (2) an increase in the strength of the Fourth Canadian Infantry Brigade by a total of approximately 1100 all ranks. In addition, some 1500 all ranks will be made readily available in Canada as reinforcements;
- (3) an increase of 250 in the First Canadian Air Division.

8. In addition, in order to improve the general military effectiveness of our forces at home and particularly those earmarked for the strategic reserve, the Government decided to increase Army formations by 8950 personnel and Air Force units by approximately 1000 men. These measures, which are being taken to increase Canadian defence preparedness, will involve a total increase of approximately 15,000 in the Canadian regular forces, raising the present ceiling from 120,000 to 135,000 officers and men.

9. Coupled with the measures I have just mentioned, the Government is accelerating and improving its survival and civil emergency planning. The Canadian militia forces amounting to some 42,000 men will be employed for survival operations and steps are being taken to increase the number of men trained to take part in survival and rescue operations should the need arise. Approximately 100,000 men will be trained in special courses across the country. Such measures are considered by the Canadian Government as complementary to the effort being made in light of the international situation to strengthen Canadian forces in the Canada-United States Region and in NATO Europe.

10. With respect to the agreed Canadian contribution to NATO, the Canadian authorities have noted with satisfaction the favourable comments of the Major NATO Commanders and of the Standing Group concerning the capabilities of the Canadian Brigade Group in Europe, of the Royal Canadian Navy and of the First Canadian Air Division to carry out their assigned missions. As we indicated during our Annual Review examination last year, these commitments along with agreed commitments in respect of the Canada-United States Region involve a high level of defence expenditures. The two important developments I mentioned – the agreement with the United States and the special measures being taken in light of the Berlin emergency – will, of course, involve additional expenditures. However, it is indicative of the measure of our continuing support for the Alliance that in spite of the additional financial burden imposed by these two developments the Canadian Government is prepared not only to maintain forces which it has assigned to NATO but to increase them in the light of the Berlin emergency.

11. In conclusion, Mr. Chairman, I would like to take this opportunity to thank you and the members of your staff and the NATO military authorities for the excellent cooperation and helpful assistance which has been extended to the Canadian Delegation and to the Canadian authorities in preparation for this examination and throughout the year. My authorities were particularly pleased to have had an opportunity to welcome members of the International Staff to Ottawa during the summer and to have been able to discuss informally with them various aspects of the Canadian defence programme and your procedures. Members of the Delegation and I will be glad to try to answer any questions you may have.

[PIÈCE JOINTE 1/ENCLOSURE 1]

Rapport

Report

CONFIDENTIAL

[Paris], November 20, 1961

INTERIM REVIEW – CANADIAN EXAMINATION
STATEMENT BY THE CANADIAN DELEGATION
WITH RESPECT TO MUTUAL ASSISTANCE

During the examination of Canada in the course of the last two Annual Reviews, full statements were made of the position of the Canadian Government regarding the continuation of Canadian mutual aid. I should like to review the main points made in these statements and to outline our present position.

2. It was made clear during the last two examinations that Canada would continue air crew training on the present basis, the provision of spares support for equipment already transferred, and contributions to NATO military budgets and common infrastructure. Technological and economic developments both in Canada and in Europe, however, made it no longer possible in future for Canada to programme equipment for mutual aid, on an annual basis, either from stocks or from direct production. It was stated that such materiel as might become available would be offered as mutual aid on an “ad hoc” basis. It was pointed out further that the Canadian Government considered that the economic and financial position of most European member countries was such that it was no longer appropriate for Canada to provide mutual aid for economic reasons.

3. From the references to Canadian mutual aid made in this year’s Draft Country Chapter and particularly from the International Staff’s conclusion in paragraph 23C, it would appear that what Canada has meant in expressing an intention to offer equipment for mutual aid on an “ad hoc” basis is not yet clearly understood. Briefly, it means that Canada will be prepared to offer

as mutual aid, equipment which may become in future surplus to the requirements of the Canadian forces and which may have continuing value to other members of the Alliance, or to undertake production of new equipment in Canada for mutual aid purposes where an opportunity offers to do so with mutual advantage both to Canada and to other members of the Alliance. The recently announced agreement with the United States to produce F-104G aircraft in Canada for purposes both of the Canadian mutual aid and the United States mutual defence assistance programmes provides an illustration of the latter kind of ad hoc mutual aid.

4. The size and constituent elements of our mutual aid programme must continue to depend on our assessment of Canada's overall situation and requirements in relation to those of our NATO partners.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Rapport

Report

SECRET

INDEX

ITEM I	NAVY Aircraft and Air Defence. Replacement of Ships. Submarines.
ITEM II	ARMY. Mechanization of the Brigade Group in Germany. Pre-stocking of heavy equipment and supplies.
ITEM III	AIR FORCE. Survivability of 1st Canadian Air Division. Aircrew-Aircraft Ratio.
ITEM IV	PLANS OF ACTION.

Question:

Navy.

Decisions have yet to be taken concerning, in particular, the replacement of ships and naval aircraft nearing obsolescence. Also air defence of aircraft carriers and escorts.

Reply:

Aircraft and Air Defence

The Canadian authorities are continuing to study the complex factors inherent in adapting an air defence missile system to our escort vessels. While these studies are being actively pursued they have not yet reached the stage where a decision can be made.

With regard to air defence aircraft for the fleet we would like to draw to your attention a letter forwarded by the Canadian Chief of the Naval Staff to SACLANT in May of this year. This letter pointed out to SACLANT that our "Banshee" aircraft would be retired in 1962, that a SAM system would not be available in the RCN at that time, and SACLANT was requested to consider the possibility of providing area air defence in the EASTLANT area under the principles of collective balance of forces. A reply has not yet been received.

Ships

A replacement programme for ships nearing obsolescence is under active consideration, but no decisions have been taken as yet. In the meantime, we would like to draw to your attention paragraphs 9 and 10 of the General Statement of the Canadian Reply to the Interim Review. There we pointed out that the construction of six new Mackenzie class destroyer escorts was continuing at the major shipyards. These are the improved Restigouche class and will bring to twenty the number of Canada's new A/S ships. The last two and eventually all ships in this class will be equipped with the Canadian developed variable depth sonar and also a helicopter platform and hangar for the operation of an A/S helicopter.

Extensive modernization of the seven ships of the St. Laurent class and the Crusader, an early type of destroyer escort, has been approved. These vessels will be fitted with the new variable depth sonar and will carry A/S helicopters to extend their detection and destruction capability against submarines.

A decision as to the type of helicopter to be used by the RCN has not yet been made.

A tanker supply ship is also under construction.

Submarines

Canada has not accepted the requirement to provide one submarine by end-1962 as indicated by the Major NATO Commanders country programme for 1962. Further, this is a new requirement for Canada and clearly would be very difficult to meet in 1962, even if the requirement were accepted.

Question:

The planned mechanization of the Canadian Brigade Group in Germany should be expedited.

Reply:

SACEUR requests that this Brigade be mechanized by the end of 1962. This entails providing armoured personnel carriers to carry all the infantry, self-propelled mounts for the artillery, armoured command and communications vehicles and some armoured transport vehicles.

It is planned to do this by providing the Brigade Group with the Canadian BOBCAT, a tracked amphibious and armoured carrier which has been developed and which will permit the various configurations mentioned above to be built on a common chassis.

Present plans envisage first introduction of BOBCATS in the Brigade Group in 1964 with 500 vehicles being delivered by 1965. Acceleration of this programme could be costly and would entail some risk of introducing incompletely developed carriers with consequent reduction of operational effectiveness.

In the meanwhile, the Brigade Group has already been issued with sufficient extra wheeled transport to make it completely mobile and permit it to train for all types of operations.

Question:

SHAPE recommends that consideration be given to the pre-stocking of heavy equipment and supplies in Europe in connection with the possible deployment of M-Day infantry Division to Europe.

Reply:

The question of pre-stocking heavy equipment and supplies in Europe is recognized as one factor bearing on the availability of the strategic reserve component. As indicated previously, this general problem is being studied, but it is too early to give a firm reply on any one aspect.

Question:Air Force – Survivability of 1st Canadian Air Division**Reply:**

Canadian authorities have applied their research facilities to the overall problem of survival and in particular to the problem of ensuring survival of a portion of 1 Air Division's forces in the face of nuclear attack. This problem is complicated by the planned change in role for this Air Division from air defence to that of strike reconnaissance. This change-over is planned to commence late next year and be completed during 1963. There is some question in our minds as to whether the dispersal facilities required for air defence would be a requirement with the change of role. Further study will be made of the problem of dispersal sites when concepts of use of deployment airfields by strike squadrons and of deployment and release of weapons for strike aircraft are developed. In general, solutions to problem of aircraft survival are being actively sought.

Aircrew-Aircraft Ratio

It should be noted that the recent augmentation of 1 Air Division personnel has increased the aircrew/aircraft ratio on the CF-100 and Sabre squadrons to 1.25 to 1. The problem of increasing the number of aircrew to that required also exists in the squadrons in Canada. The RCAF is and will continue to be involved for some time in a large training programme associated with the conversion of its Canadian based all-weather squadrons to the CF-101 aircraft and the conversion of 1 Air Division Sabre squadrons to CF-104 aircraft. It is planned that the CF-104 squadrons will be established at a 1.5 to 1 ratio. However, there are no plans to increase the aircrew/aircraft ratio of the Sabre and CF-100 squadrons.

Question:Plan of ActionPresent state of implementation of the measures taken in response to Commanders' requests.**Reply:**

1. The Ambassador has already outlined the measures which the Canadian government has authorized in response to the situation arising out of the Berlin crisis.

2. Of these measures, the following will be implemented by 1 Jan 62.

3. *Army.* The Brigade was strengthened by the dispatch to Europe in September of 765 officers and men. This brings units up to an increased war establishment greater than the figures indicated in our previous replies.

(a) SSM missile unit of 4 launchers arrives in Europe in December of this year.

(b) Plans exist to lift a further 1515 reinforcements by RCAF transport to Europe. Arrangements have been made for the reception of these aircraft at airfields in Europe and for the transport of these reinforcements from terminal airfields to Canadian reception units. By end of this year it will be possible to move these 1515 reinforcements to Europe within 48 hours. These reinforcements will arrive with personal weapons. They will be provided with other equipments from reserve stocks now held in Europe.

4. *Navy.* The manning of ships in the fleet assigned to SACLANT has now been raised to 86%. This has been achieved by temporarily reducing certain shore establishments. It is not intended at this time to increase the percentage of manning of ships at the expense of other shore establishments as this would seriously affect ground training programmes.

5. *Air Force.* Of the increase of 250 personnel for the Air Division in Europe, all are in position which now gives the Air Division a ratio of aircrew to aircraft of 1.25 to 1. These

additions have also increased squadron maintenance capability and improved the operational status of 61 Aircraft Control and Warning Squadron.

Further Implementation from 1 Jan 62

6. *Army.* The armoured reconnaissance unit with the 4 CIBG will be strengthened by the addition of nine light helicopters which it is planned will arrive in Europe by the end of February 1962.

In addition to the increase to the Brigade strength outlined, it is anticipated that the Canadian Army will increase its strength in Canada by approximately 3,600 by 1 Apr 62.

Navy. It is anticipated that the Royal Canadian Navy will meet its increased manning figure by April 1963 and it is estimated that 1,000 of the projected increase of approximately 1,800 will be enrolled by April 1962.

Air Force. As from 1 Jan 62, the additional increase of personnel strength in Canada will permit the RCAF an increased air transport capability by retaining in service a North Star Squadron which was to have been phased out as the Yukon heavy transport squadrons become operational.

In addition to the increases and plans which have just been outlined, the Canadian government has approved certain other measures in response to the Berlin crisis which affect particularly the Canadian forces stationed in Canada.

Army. The strength of the Canadian Army in Canada will be increased by a total of 10,600 all ranks in order to provide first reinforcements for the Brigade Group in Europe, to bring units in Canada up to full war establishment and to permit the formation of a divisional headquarters and immediate support units. These reinforcements will improve the combat effectiveness of the balance of 1st Canadian Infantry Division stationed in Canada and earmarked for assignment to SACEUR as part of the strategic reserve.

Navy. A total increase of approximately 1,790 men will bring existing ships, the majority of which are earmarked to SACLANT, and certain other operational facilities up to the strength required for a prolonged emergency.

Air Force. An increase of 950 will not only provide for the increased air transport capability mentioned before but will also permit the manning of certain radar stations.

National Survival. At the same time, the Canadian government authorized certain expenditures connected with communications, training, and procurement of special equipments to be used by the services in their operations to support national survival plans.

Mr. Chairman, in conclusion, I would like to draw your attention to the fact that all Canadian Armed Forces, including the reinforcements mentioned above are Regulars on long service contracts.

[PIÈCE JOINTE 3/ENCLOSURE 3]

*Rapport**Report*

SECRET

[Paris], November 20, 1961

INTERIM REVIEW – CANADIAN EXAMINATION
 AGENDA ITEM C (ii)
 “FINANCIAL IMPLICATIONS OF MEASURES
 WITH RESPECT TO BERLIN PLAN OF ACTION”

The degree of implementation of the measures taken in response to commanders' requests as outlined by General Kitching, and the national survival measures which have been outlined earlier, will require additional expenditures during 1961-62.

The estimated additional expenditures amount to:

Navy	\$ 1.4 millions
Army	39.6 millions
Air Force	<u>3.0 millions</u>
	\$44.0 millions

2. In addition to these estimated expenditures which are superimposed on the 1961-62 defence budget, there will be a deficiency in the RCAF capital appropriation of approximately \$45 millions. This is due chiefly to the rate of expenditure on CF-104 aircraft which has been in excess of the provision for that expenditure in the budget. These two figures taken together would indicate an overall deficiency in existing appropriations of the order of \$89 millions. There are, however, under-expenditures and savings in other elements of the defence appropriations for 1961-62 which will lead to a net deficiency of an estimated \$36 millions. It will be necessary to seek a supplementary appropriation from Parliament.

3. You will recall, Mr. Chairman, that in previous Annual Reviews we have often indicated that Canada's contributions to NATO have always been expressed and conceived in physical terms and not on the basis of simple defence expenditures. I believe that the situation I have just described is a concrete example of what we have tried to explain, i.e. when a physical programme requires more money, we take steps to provide that money.

5^e PARTIE/PART 5
 RÉUNION MINISTÉRIELLE,
 PARIS, 13 AU 15 DÉCEMBRE 1961
 MINISTERIAL MEETING,
 PARIS, DECEMBER 13-15, 1961

309.

PCO

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

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

SECRET

[Ottawa], December 6, 1961

NATO MINISTERIAL MEETING, PARIS, DECEMBER 13-15 – CANADIAN POSITION

This is the annual meeting of the Foreign, Defence and Finance Ministers of NATO, which is held each December to discuss the main issues of international concern and to take stock of the overall defensive strength of the Alliance on the basis of the results of the Annual Review Examinations of the national defence efforts of member countries.

The agenda (copy of which is attached)† provides a general guide to the sequence in which the main items will be discussed. These are:

- I Review of the International Situation
- II Military Questions
- III Any Other Business
- IV Date and Place of Next Meeting
- V Communiqué

It does not, however, reflect adequately the extent to which Berlin will be the central problem for discussion under Agenda Item I and is likely to permeate discussion throughout the meeting. It seems probable that at least all of the first day of the meeting will be devoted to this question, although there may also be some discussion of other important international developments, e.g. in Laos, the Congo and Vietnam.

On the military side, it is not expected that the agenda will give rise to the discussion of any controversial questions. These matters are traditionally dealt with on the second day of the meeting and involve mainly statements by the NATO Military Commanders (covering the present estimates of the Soviet military threat and overall strength of the NATO forces) and by individual Defence Ministers on the problems raised during the Annual Review process with particular reference to their respective national defence efforts. In addition, there may be some discussion this year of the special efforts which are being made by the NATO member countries to increase their defence contributions in the light of the Berlin emergency.

The other questions on which there may be some discussion are:

- (1) Cooperation in research development and production and
- (2) NATO civil emergency planning.

In the light of the broad outline set forth above, we have prepared the attached paper which sets out proposed guide lines on the central issues facing the forthcoming Ministerial meeting.

I recommend that the attached paper be authorized as guidance for the Canadian Delegation at the December Ministerial meeting.

[H.C. GREEN]

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*

SECRET

[Ottawa], December 6, 1961

NATO MINISTERIAL MEETING, PARIS, DECEMBER 1961
GUIDE LINES FOR CANADIAN DELEGATION

I. EAST-WEST RELATIONS AND BERLIN

East-West Relations

1. The NATO Ministerial Meeting will be taking place against a background of some slight indications of a relaxation of international tensions, particularly arising from the removal of the December 31 deadline on Berlin,⁶⁹ and the publication of President Kennedy's interview in the Soviet press.⁷⁰ The pressures in the city of Berlin are, however, still being maintained.

2. These slight improvements in the international climate come after a period of intensification of pressures against the West and obvious disregard for public opinion which were notably at their peak during the recent Party Congress: for example, by resumption of nuclear tests – particularly the explosion of the 50 megaton bomb and the threatening attitude towards the independence of Finland.

3. Seen against long-term Soviet policies it is unlikely that this relaxation is more than temporary but it may on the other hand be motivated, at least to some extent, by a desire to correct what has undoubtedly been a deterioration in the image of the Soviet Union among the non-committed nations resulting from the tough Soviet tactics referred to above and culminating in the explosion of the 50 megaton bomb.

4. While this apparent change in Soviet attitude has its dangers for the West, it also provides an opportunity for progress in exploring a basis for negotiations with the Soviet Union when tensions have been eased and the West would not seem to be undertaking negotiations under threat.

Berlin – Negotiations

1. In order to be able to take advantage of the present situation, it is of the utmost importance that the Alliance should reach an early agreement on a Western negotiating position.

2. In the absence of such agreement, NATO members risk finding themselves faced with another crisis if Mr. Khrushchev chooses to resume pressures on Berlin with the West thereby losing the opportunity of undertaking negotiations on a reasonable basis.

⁶⁹ Le délai, fixé par Khrouchtchev dans l'aide-mémoire donné au président Kennedy le 4 juin, a été annulé le 17 octobre. Voir « Condensed Version of Khrushchev's Speech to the Soviet Communist Party Congress, » *New York Times*, October 18, 1961, p. 16.

The deadline, set by Khrushchev in the aide-mémoire given to President Kennedy on June 4, was removed on October 17. See "Condensed Version of Khrushchev's Speech to the Soviet Communist Party Congress," *New York Times*, October 18, 1961, p. 16.

⁷⁰ L'entrevue a été publiée dans le journal *Izvestia* le 29 novembre 1961. Voir *Current Digest of the Soviet Press*.

The interview was published in *Izvestia* on November 29, 1961. See *Current Digest of the Soviet Press*.

3. Canada believes that East-West negotiations on the Berlin problem should begin without further delay. If we delay opening negotiations, we run the risk of

(a) the Soviet Union signing a separate peace treaty with the East German régime, thereby (i) losing the opportunity of having the substance of a new four-power agreement incorporated in a Soviet-GDR treaty and (ii) being compelled to deal directly with the East German régime on Western rights of access;

(b) leaving ourselves vulnerable to gradual erosion of the Western position in Berlin and step-by-step encroachment on Western rights;

(c) allowing circumstances to continue until an even more dangerous situation could arise in Berlin.

4. To get negotiations started, Canada agrees to the formula of the "narrow approach" (i.e. negotiations restricted to access to and the status of Berlin) as an initial negotiating position.

5. Canada believes, however, that some of the broader aspects of the Berlin problem, to which the "narrow approach" in any event may well lead, will have to be examined as well. One broader consideration, which the Canadian Government consistently advocated as a means of obtaining a Berlin settlement of greater durability, would be to provide a role for the United Nations as part of any East-West agreements.

6. NATO should also examine the problem of the public positions the West should adopt in respect to Berlin. While it may be sufficient to employ the "narrow approach" in the initial stages of negotiations, something more must be provided to explain the Western stand on Berlin to the public, both in the West and in the uncommitted nations.

Berlin – Military Contingency Planning

1. Canada recognizes that the association of all NATO members with the 1954 Three Power Declaration on Berlin⁷¹ and various agreements reached in NATO since that time, particularly the 1958 NATO Declaration on Berlin,⁷² constitute the specific commitments of the Alliance in respect of Berlin.

2. The responsibilities of the Alliance as a whole in respect to Berlin bring with them a corresponding responsibility on the part of the three occupying powers to consult the Council regularly in respect of their contingency planning on Berlin. This responsibility stems not only from the NATO agreements referred to but from the simple fact that three-power action or response in Berlin could directly involve the Alliance as a whole.

3. This wider responsibility of the Alliance was reflected in the discussions which were held in the Permanent Council last month to provide guide lines for the NATO military authorities to enable them to draw up plans which might be necessary in certain circumstances to complement the three-power contingency plans.

4. Canada notes with satisfaction that the Council directive concerning NATO military planning for the Berlin crisis, as contained in PO 61/808, clearly specifies that "the execution of approved plans will be the subject of decisions by governments at the time."

⁷¹ Voir/See United Kingdom, Parliamentary Papers, Cmd. 1552, *Selected Documents on Germany and the Question of Berlin, 1944-1961* (London: Her Majesty's Stationery Office, 1961), p. 192.

⁷² Voir/See "Communiqué of the North Atlantic Council Regarding Berlin, 16 December 1958," *Documents on International Affairs, 1958* (London: Oxford University Press/Royal Institute of International Affairs, 1962), pp. 373-74.

5. We believe that while plans may be drawn up and submitted to governments for approval, government decisions at the time are essential to ensure that implementation of such plans is subordinated to the political objectives of the Alliance and in order to avoid the danger of escalation through retaliation. (This position is in conformity with Article V of the North Atlantic Treaty which reserves to each government the right to take "such action as it deems necessary" in the event of an attack on any member of the Alliance.)

NOTE: The question of economic countermeasures will be dealt with in a separate memorandum to Cabinet.⁷³

II. MILITARY QUESTIONS

NATO Annual Review and Military Preparedness in Relation to Berlin

1. While devoting our efforts on the political front to the initiation of early negotiations with the Soviet Union on Berlin, we must continue to maintain strong defences.

2. The Canadian Government has consistently met its agreed military commitments to NATO and is gratified by the favourable response with which our efforts were received during this year's annual review examination.

3. In the light of the deteriorating international situation last summer, brought on by Soviet threats to encroach on the freedom of West Berlin and to deprive the West of its rights in that city, the Canadian Government took steps to increase the military preparedness of Canadian forces assigned to NATO, as well as forces which are required for the defence of the Canada-U.S. region. These measures, which were announced by the Prime Minister in the House of Commons on September 7, involved a total increase of approximately 15 thousand in the Canadian regular forces raising the present ceiling from 120,000 to 135,000 officers and men.

4. Canada endorsed the directive agreed on at the 1961 Spring meeting in Oslo requesting the Council to continue its examination of defence questions and to develop for submission to the 1961 December meeting policy guidelines for NATO defence plans and programmes within the framework of agreed political and strategic guidance. In the event, however, it became clear that priority would have to be given in the Council discussions to developments relating to the Berlin crisis and to the improvement of the conventional strength of the forces of the Alliance. In the circumstances, Canada agreed with the United States proposal that further detailed study of long-term military planning should be deferred, because of the Berlin crisis, until after the 1961 Ministerial meeting.

5. Canada intends to continue to maintain its agreed military contribution to NATO in its present high state of readiness and effectiveness.

Cooperation in Research Development and Production

1. Canada continues to support the NATO objectives for Cooperation in Research Development and Production and has participated actively in the Armament Committee's "20 Projects Programme."

2. Sufficient experience has now been acquired to justify careful analysis of the present programme to determine whether it should be continued, expanded or redirected.

3. If there is a meeting of NATO Defence Ministers in the Spring of 1962, this would provide a convenient forum for reviewing the programme.

⁷³ Voir/See document 290.

III. ANY OTHER BUSINESS

NATO Civil Emergency Planning

1. Canada supports the thesis that civil emergency planning is an essential complement to the military defences of the Western alliance and considers that both national and NATO authorities have responsibilities in this field.

2. In accordance with recommendations made in the course of the Ministerial meeting in Oslo, we recently proposed in the Senior Committee that, as a further step in speeding up progress on the NATO aspects of civil emergency planning, the NATO international staff dealing with emergency planning should be strengthened. We would urge that when the detailed proposals that we are now preparing on this matter are submitted to the responsible NATO Committee, they will be given serious consideration.

IV. DATE AND PLACE OF NEXT MEETING

1. *Foreign Ministers*

The Greek Government has given notice that they will propose at the December Ministerial meeting that the normal Spring meeting of NATO Foreign Ministers be held in Athens in May 1962.

It is recommended that Canadian Ministers be authorized to express Canadian concurrence.

2. *Defence Ministers*

There are indications that some Ministers may raise the question of holding a meeting of NATO Defence Ministers in the Spring.

As reports from our NATO Permanent Delegation indicate a difference of views between governments on this question, it is recommended that the Canadian Delegation be authorized to explore during the December Ministerial meeting the need for holding such a meeting of Defence Ministers.

310.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], December 7, 1961

Present:

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

. . .

N.A.T.O. MINISTERIAL MEETING; POLICY TO BE
 FOLLOWED BY CANADIAN DELEGATION
 (Previous reference December 5)

16. *The Secretary of State for External Affairs* said that it was desirable to review the proposed agenda for the N.A.T.O. Ministerial meeting to be held in Paris on December 13th-15th, and to establish the guide lines for the Canadian delegation.

An explanatory memorandum had been circulated, (Minister's memorandum, Dec. 6 – Cab. Doc. 451-61).

Report of Expert Group on Africa

It was noted that the agenda contained an item calling for a Report of the Expert Group on Africa. The U.N. force in Africa had gone too far in attempting to force the Congolese into one federated nation, disregarding the tribal background and the varying degrees of development in the different sectors.

17. *The Secretary of State for External Affairs* said that the first public reaction had been in favour of the Katangese but there was a good deal of information now reaching the outside to indicate that back of them were mercenaries employed by wealthy mining companies. If the U.N. had not gone in, the internecine struggle would have resulted in widespread slaughter. Canada sat on the Congo Committee in the U.N., and had been very influential in preventing extreme measures being taken. Canada had troops in Katanga and must either back the U.N. or let it down. Britain's reaction against the military action of the U.N. force has been influenced by her other African interests, particular in Rhodesia. At the moment, the British were in an uncomfortable position.

18. *The Minister of National Defence* said that the taking over of Katanga by military force was not practical. Only a few centres could be successfully captured. The rest of the country would continue tribal warfare in the jungles. The further military action was carried, the greater the difficulties will be.

19. *During the discussion* the following points were raised:

(a) Some felt that Canada would be embarrassed were the U.N. to ask for more white troops. Others said that this was unlikely as there would be little use in sending more white troops into Africa. More African and Asian nations had recently been added to the U.N. force. At the moment, Canada was not likely to get any requests for additional troops. The Canadian personnel in Africa were dispersed in small groups attached to various unit headquarters.

(b) Some said that this would be a good time for Canada to withdraw her troops. On the other hand, this would leave the U.N. force in Africa in a hopeless state, as it depended almost entirely on Canadian signal units to maintain its communications.

(c) Some said that Canada should not take a public stand against the U.N.'s use of force, but that it might be pointed out, personally, to the Secretary-General of the U.N. how public feeling was against this latest move.

East-West Relations and Berlin

20. *During the discussion* the following emerged

(a) Some said that pressure might be exerted at the Ministerial meeting in favour of early negotiations over Berlin. This raised the question as to whether Canada should add its weight to such a demand. Considerable differences of view still existed between France and the United States with West Germany caught in the middle.

(b) It was said that the Americans were in favour of early negotiations, and in this they had the backing of the British. France would not even consider talking to Russia under present circumstances.

(c) Some said that Canada should not get involved in these differences. It appeared that de Gaulle had a reasonable argument based on the premise that there was nothing to be gained by negotiating with Russia, and therefore the longer negotiations were delayed the longer the status quo was likely to be maintained.

(d) There was no need for Canada to become involved in any argument regarding negotiations, as the government's position had been stated by the Prime Minister as being in favour of negotiations.

21. *The Cabinet* noted the agenda and the guide lines for the Canadian delegation to the N.A.T.O. Ministerial meeting to be held in Paris on December 13th-15[th, 1961.]

...

311.

DEA/50341-40

*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 3378

[Paris], December 13, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: Washington, London, Brussels, Bonn, Hague, Rome, Paris (OpImmediate).

By Bag Copenhagen, Oslo, Ankara, Athens, Lisbon from London.

NATO MINISTERIAL MEETING – ITEM 1(A)
EAST-WEST RELATIONS AND BERLIN

As foreseen, discussion on the first item of agenda "International Situation" was focused on problem of Berlin and whether and on what basis negotiations should be undertaken with USSR. This discussion took place in restricted session with two advisers for each delegation only present in addition to ministers and permanent representatives.

2. Secretary Rusk opening discussion, analysed Berlin problem against a background of a NATO strengthened militarily, economically and politically confronted by the program of world revolution backed by the large resources of the Sino-Soviet bloc. Soviet pressures on Berlin had not repeat not abated, although there had been, what he called, some procedural improvement such as the removal of the year end deadline and recognition by USSR that it could not repeat not merely abandon its occupation rights or transfer its responsibility to the GDR. These Soviet offensive tactics were to some extent at least, the result of Communist failures in GDR, as evidenced by the outflow of refugees. Berlin no repeat no doubt, was a real thorn in Soviet flesh and Khrushchev is trying to pass it on to the West. On the other hand, Berlin was subject to continued pressure and must be sustained against Communist erosion of the freedom of movement in and out of West Berlin. Proposals put forward by Khrushchev so far carried dangers not repeat not only to Berlin but to NATO. To meet these dangers a policy of firmness and determination was required as well as unity. It was also important in a dangerous situation that Khrushchev should not repeat not be under any illusions regarding Western firmness so that he should not repeat not fall into the errors of other dictators of miscalculating the risks of war and taking chances with a dangerous gamble.

3. Rusk stresses the need for continuing consultation among allies on Berlin to ensure unity and the need for search for a peaceful solution. If essential interests of the West were

threatened by the Russians, the Alliance would be faced with a *casus belli* and it was therefore essential to have tried to reach agreement. He said that a tolerable *modus vivendi* was possible.

4. By way of reply to French reluctance to open negotiations, Rusk said there was no repeat no need to fear talks with the Russians. The West certainly would not repeat not give away what it was prepared to fight for and essential positions could therefore be maintained. The negotiators could always say no repeat no.

5. In all the recent talks with Gromyko, no repeat no solutions had emerged but opportunities for further talks were left open. There was a degree of vagueness in Soviet position which offered some possibilities.

6. Rusk cautioned against the premature convoking of a formal negotiation, which would have to be conducted in the glare of publicity and would engage the positions of leaders on both sides. In his view, it was preferable to continue probing through diplomatic channels on a basis agreed to by the Western Four. In that way we would know how and when a basis for a peaceful settlement had been reached.

7. On the question of timing of resuming probing, Rusk said it should take place sooner rather than later. He was not repeat not ready to leave the initiative to the other side.

8. In private conversation later, Rusk indicated that while he had reached a reasonably satisfactory understanding with French Government about further contacts with the Russians, which would amount, in his view, to the opening of negotiations, it was still difficult to commit de Gaulle to any public acknowledgment of such an understanding as for instance in a communiqué.

9. Schroeder (Germany) spoke second emphasizing known German positions. Germany was not repeat not alone in facing the supreme challenge of Berlin. It did not repeat not fear being isolated because they felt they could count on the Alliance. In fact, NATO had been strengthened as a result of the artificial crisis fomented by Khrushchev over Berlin.

10. German Government would be prepared to work towards a *modus vivendi* on Berlin issue provided it did not repeat not prejudice in any way a settlement of German problem on the whole nor impair communications between Berlin and the Federal Republic. He also stressed that not repeat not only the economic viability of Berlin be maintained but also its psychological facilities, otherwise through exodus of Berlin citizens and withdrawal of investment, Berlin risked becoming an empty shell.

11. Schroeder was particularly emphatic about non-recognition of the GDR *de jure* or *de facto*. The most that could be accepted would be contacts between West and East German officials at the technical level to facilitate access, but this would be without prejudice to Western rights. Germany Government was also willing to reiterate its renunciation of force in solving Berlin problem and enter into a unilateral non-aggression discussion with regard to the Warsaw Pact countries.

12. Schroeder emphasized that any *modus vivendi* on Berlin would not repeat not mean abandonment of the ultimate aim of reunification. He urged that the unnatural division of the people in the heart of [Europe?] could not repeat not be lived with indefinitely. The main emphasis now should be on the solidarity of the Alliance. Before concluding Schroeder gave a summarized report on conditions in East Germany. Although thousands had left the East zone, no repeat no uprisings could be expected because of the known capacity of the Ulbricht régime to suppress any effort at liberation. Indeed the policy of repression was being stepped up and any proposed deStalinization was superficial. There was no repeat no sign of relaxation of the totalitarian dictatorship in the East zone. It was therefore important not repeat not to give the impression to East Germany that they were forgotten and this made it all the more important that NATO arise to give their support in assuring the freedom of the people of West Berlin in maintaining the policy of non-recognition of the Pankow authorities.

13. Segni (Italy) and Krag (Denmark) both advocated continued efforts to establish a basis of negotiations with USSR. Krag also gave assurance of Denmark's staunchness in the face of Soviet pressures over Baltic command and Finland. He also informed Council of the warning note delivered today to Denmark by USSR, which reiterates the old Soviet charge that the "Baltic command converts the Baltic sea into a concentration area for aggression against USSR."

14. Spaak (Belgium) followed with the most direct attack on French position and the most powerful appeal for negotiation. NATO was faced, he said, with the choice of either to continue a peaceful foreign policy allowing nature to take its course or to take more positive action to deal with the threatening situation. He urged that NATO take the initiative away from the Russians, who could always be counted upon to use threats to gain their ends and to face NATO with *fait accompli*. Situation in Berlin was deteriorating and no repeat no time should be lost to establish a basis of negotiation. While endorsing the "narrow approach," he warned against public discussion of negotiating position. Western essential requirements should be stated clearly and precisely. As to the refinements mentioned by Rusk about further probing and diplomatic contacts as against formal negotiation, Spaak asked who or what was left to probe. Soviets were probing the West while not repeat not divulging any of their own fallback or final position. It was no repeat no sign of weakness in negotiating, the only weakness is to be weak in negotiation.

15. Luns (Netherlands) gave strong support to German thesis, emphasizing that there should be no repeat no recognition of GDR or negotiation on European security issues involving disengagement or demilitarization or even denuclearization of Germany beyond the limitations that country has already accepted. Indeed Germany needed to be drawn more closely into NATO through the integrated force including the furnishing of nuclear weapons. He took direct issue with French position on negotiations, emphasizing that time was not repeat not on our side.

16. Couve de Murville (France) made an unconvincing and rather half-hearted restatement of the well known French thesis against negotiations. The issue was not repeat not Berlin. The manufactured crisis involved, in fact, the future and fate of Germany and therefore of Europe and of NATO and finally of France itself. Soviet objective was the neutralization of West Germany and dissolution of NATO through the detachment from it of Germany and, if possible, Scandinavian countries. It was for this reason France was seeking a new equilibrium in Europe to shield itself from Soviets. Presumably an oblique reference to the EEC.

17. NATO was involved in a trial of strength against Soviet pressures and intimidation with the possible risk of atomic war. Main reaction from the military side had been USA military contribution, but France had done what it could. Crisis should be faced with firmness and dignity and maximum resolution should be displayed in protecting essential Western interests.

18. As regard negotiations, France had never resisted negotiations in principle. Question was essentially under what conditions should negotiations take place. There were two essential prior conditions: (a) not repeat not to negotiate under threat of blackmail, (b) that West should know what to negotiate about. Neither condition obtained now. Khrushchev had renewed his threats and Soviet had merely reiterated its unacceptable proposals. He said that he had spoken to Mayor Brandt, who urged negotiations because of increased anxieties in Berlin, but in Couve's view, anxiety of Berliners would increase if negotiations, as probably would be the case, resulted in a compromise between the present status and the demands of the Soviets. He indicated that no repeat no agreement would be better than a bad agreement.

19. Rusk had said that no repeat no agreed basis of negotiation had existed with USSR but further probes would be necessary to try to establish whether such a basis exists. Couve said that French Government was not repeat not opposed to that position. He concluded, however,

by emphasizing that it would be unrealistic to expect that out of such negotiations settlements would be reached amounting to a *détente* and that unity and firmness among allies was essential.

20. I followed speaking from a text which has been sent to you by separate telegram.†

21. Lange (Norway) supported my contention that it was essential to get negotiations going without delay, drawing on his recent talks with Khrushchev. He was particularly concerned about the evident hardening of public conditions on both sides. French argument against negotiations seemed to be related mainly to the long term Soviet threat but was not repeat not a valid argument in dealing with immediate threat of erosion of Western position in Berlin. The present exodus from Berlin gave real cause for concern and made Khrushchev feel that the time is on his side. He was in favour of agreeing on the “narrow approach” for opening negotiations and supported our case about a UN presence being helpful in giving Berliners a sense of security and viability. He also supported Krag in assuring Council that the Scandinavians would resist blackmail from USSR over Baltic command and Finland. Lange warned that latest Soviet note to Denmark with its ominous tone and oblique references to Finland might indicate that Kekonen’s understanding with Khrushchev might be short lived.

22. Home (UK) in general supported Rusk’s approach. Berlin crisis had to be considered against a background of what he called the “militant intervention in international affairs by the Sino-Soviet Bloc.” This required two responses (a) military preparedness including nuclear threat and assurance against any vacuum into which Communist forces might infiltrate and (b) find a degree of agreement or at least tolerance with USSR. Policies of force and negotiation were essentially complementary. People faced with the prospect of being blown into atomic dust had to have the assurance that everything possible had been done to reach agreement. He did not repeat not quarrel with French thesis that the question had to be seen in the German and European setting, but this did not repeat not constitute an effective argument against negotiating now. Our requirements were clearly established and the Russians could be expected to make counter proposals. Concessions should not repeat not be made without extraction of matching concessions. His conversations with Gromyko, he claimed, had persuaded Russians of the dangers inherent in turning Soviet rights of controlled access over to the GDR which could lead collision with Western rights into a conflict. This might have been responsible for the removal of Soviet ultimatum and the date on which USSR would sign an agreement with East Germany. While the Russians may have also suffered some defeat by having to erect a wall to keep East Germans in, the erosion of the Western position through sustained pressures were working against the West. On balance, therefore, time was not repeat not on our side. If we waited longer, the West might be faced with an even more dangerous crisis and the pressures for concessions on the West would be correspondingly greater.

23. Sarper (Turkey) and Averoff (Greece) both advocated early negotiations. Turkey emphasized, however, that negotiations should not repeat not be at any price. Averoff recalled that Khrushchev was regarded as a bold reformer in Communist world with many enemies, was looking for a quick diplomatic success and the West should be on the lookout against his wiles in trying to attain it.

24. Greece’s only hope of keeping out of war arising from neighbouring Communist pressures rested on the Alliance.

25. Secretary-General, in summing up, justifiably described this as an interesting and rewarding discussion, conducted with the seriousness and fullness which the subject warranted. He would not repeat not attempt a summation because, although there was large measure of agreement, one government was definitely opposed to negotiation, although not repeat not opposed to diplomatic contact with USSR. He indicated that further private

discussions would be carried on in the hope of reflecting the greatest possible measure of unity in the communiqué.

26. A Communiqué Drafting Committee was set up by Secretary-General consisting of Belgium, France, Germany, Italy, Norway, Turkey, UK and USA, other delegations being welcomed to participate, which we are doing.

312.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], December 18, 1961

Present:

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Watters).

. . .

N.A.T.O. MINISTERIAL MEETING; ORAL REPORT
 (Previous reference December 7)

5. *The Secretary of State for External Affairs* said that the main discussion at the recent N.A.T.O. Ministerial Meeting had been aimed at determining the attitude of the member countries towards negotiation with the Soviet Union on the Berlin question. All fourteen countries in the alliance, except France, were in favour of negotiation. General de Gaulle, however, had taken the attitude that the time was not opportune for any negotiation on Berlin as long as the U.S.S.R. was making threats. Canada's position, which was shared by all other countries except France, was that the Western Alliance should maintain a position of military strength and be ready at any time to negotiate.

France, Germany, Britain and the United States had met the previous day on the Berlin situation and had discussed what might be said of it in the communiqué.⁷⁴ Because of the

⁷⁴ Voir OTAN, *Communiqués finals, 1949-1974* (Bruxelles, s.d.), pp. 146 à 149.
 See NATO, *Final Communiqués, 1949-1974* (Brussels, n.d.), pp. 139-42.

attitude of France, the communiqué did not reflect the views of the other members of the Alliance. In essence, the communiqué said that the diplomats of the countries more concerned should explore with Russia whether there was a basis for negotiation, rather than saying that there should be negotiation.

When the communiqué was presented M. Spaak of Belgium had taken a strong line that this was not good enough and that there should be a direct statement of intention to negotiate. Canada and Norway supported M. Spaak. The U.S., having agreed with France said nothing.

An attempt had been made by the U.K. to include a reference in the communiqué to the desirability of the U.K. joining the Common Market, but this had been eliminated by the Canadian representatives.

The key paragraph part of the communiqué was as follows:

“The Council heard statements on Berlin by the foreign ministers of the countries most directly concerned, and was informed of the intention to resume diplomatic contacts with the U.S.S.R., in accordance with the aims which the West is pursuing for the maintenance of world peace and in the hope that these contacts might serve to determine whether a basis for negotiation could be found. Their colleagues approved the resumption of diplomatic contacts and expressed the hope that a negotiated settlement could be achieved. After full discussion of the situation, the Council agreed that the Alliance must continue on its resolute course, combining strength and firmness of purpose with a readiness to seek solutions by peaceful means.”

6. *Mr. Green*, in answer to questions as to what there was to negotiate between the Western Alliance and the U.S.S.R. over Berlin, replied that there was,

- (a) the form of control over Berlin;
- (b) a treaty replacing the present occupation rights;
- (c) the possible presence of the U.N. in West Berlin;
- (d) the terms of access to West Berlin;
- (e) the boundaries of Germany.

He went on to say that the second major item discussed was the problem of U.N. intervention in Katanga. M. Spaak of Belgium was critical of the U.N. operations against Katanga. He was supported by Britain and France. Britain appealed for the help of the others in bringing about an immediate cease-fire. The U.S. supported U.N. action in Katanga.

The press had said, on the day following the meeting, that all fourteen countries were against U.N. intervention in Katanga, so the Canadian delegation and some others had felt obliged to tell the press that they supported the U.N. action.

7. *The Prime Minister* said he had received many telegrams criticizing the Canadian attitude in not supporting an immediate cease-fire.

8. *Mr. Green* pointed out that the U.N. force in Katanga was opposed by mercenary troops paid for by private mining companies and that, if Katanga were successful in its bid for secession, Leopoldville would follow and Communist influence in the area would increase.

9. *Mr. Green* said further that he had been re-assured to hear from the U.S., in great detail an indication of the state of their nuclear striking power in ballistic missiles and aircraft. They now believed they had marked superiority over the U.S.S.R. in these weapons. The U.S. also was sincerely trying to make the alliance work and consistently supported the U.N. as well. He was well satisfied with their behaviour. *Mr. Rush* had stated explicitly that, if there was an attack on any of their allies, the U.S. would be in at once. He spoke as strongly as Dulles had in 1957.

He went on to say that Canada's position in N.A.T.O. was becoming more difficult. West Germany was doing all it could to secure a nuclear striking force by N.A.T.O. and nuclear weapons for West Germany. Europe would become stronger in a military sense as well as economically as time went on, and with the formation of a United States of Europe they would become more aggressive. This would probably lead to their going to war with Russia eventually.

At the moment, he said, France was unsettled politically and there might be danger of civil war as a result of the intervention of the Army in the political situation.

Britain would say nothing to disturb France at the present time because of her desire to enter the Common Market. This would undoubtedly have an effect on Britain's relations with the Commonwealth.

10. *Mr. Fleming* confirmed that this was also his conclusion.

11. *Mr. Green* said that Canada now amounted to very little in the N.A.T.O. picture.

12. *The Cabinet* noted the report of the Secretary of State for External Affairs on the North Atlantic Council Ministerial Meeting held in Paris on December 13th-15th, 1961.

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313.

DEA/50102-AD-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*

DESPATCH NO. DL-863

Ottawa, December 19, 1961

SECRET. CANADIAN EYES ONLY.

Reference: NATO telegrams 3379 of December 14† and 3405 of December 15.†

NATO MINISTERIAL MEETING – DECEMBER 13-15

It was hoped that the NATO Ministerial Meeting just concluded would demonstrate allied unity in the face of Soviet pressures over Berlin. Instead it revealed some specific differences, and even more serious potential differences in the making – serious enough to require some careful thought and analysis of their implications, as they may affect Canadian interests and the future of the Alliance.

2. Some consolation can be derived from the communiqué which, by keeping to generalities, was able to reflect agreement in general terms among the allies in their approach to world-wide problems. Thus the declaratory first part of the communiqué reaffirmed that the aims of the Alliance are a stable order and the seeking of peace and disarmament. The members of the Alliance agreed to reaffirm the pledges with regard to Berlin they had taken in 1954 and repeated in 1958 to defend the Western rights and freedom of the people of Berlin. They also agreed to tighten the military, political and economic links between them in the face of the Soviet threats. But even agreement on these basic goals is susceptible to serious strains on closer scrutiny.

3. Some of the more important implications for Canada of current and potential differences within the Alliance are examined in the attached memorandum. Since these differences relate to policy questions on which important decisions may have to be taken in the coming months, I would welcome your comments and the comments of the other Heads of Mission to whom this despatch and enclosure are being sent.

H.C. GREEN

[PIÈCE JOINTE/ENCLOSURE]

Note

Memorandum

SECRET. CANADIAN EYES ONLY.

[Ottawa, n.d.]

NATO MINISTERIAL MEETING – DECEMBER 13-15

I. *Berlin*

The meeting, which focussed on Berlin almost to the exclusion of all other issues, revealed that United States leadership and policy-making for the Alliance are being effectively challenged by France.

The important point at issue was what should be the appropriate diplomatic move to be made towards the Soviet Union over Berlin. The U.S.A. and Britain evidently wanted to proceed to something approaching negotiations – at least renewed diplomatic probing as a prelude to negotiations – without further delay. General de Gaulle, on the other hand – with or without the tacit consent of Bonn – took the position that it was wrong to enter into negotiations because this would mean concessions which the Anglo-Saxon powers might be willing to make at the expense of not only Berlin, but of the entire security position in Central Europe.

Despite support for the U.K.-U.S. position from virtually all members, and a vigorous counter-attack on the French position led by M. Spaak, the French would not budge beyond reluctant agreement that contact should be established through diplomatic channels to see *whether* a basis for negotiations could be found. In particular, M. Couve de Murville refused to permit any language in the communiqué which would reflect any allied desire for a settlement by negotiations. Because of the over-riding American preoccupation with the need for Western solidarity in the face of a grave Soviet challenge, Mr. Rusk decided to yield to French intransigence and to accept the compromise wording suggested by Mr. Stikker and eventually incorporated in paragraph 8 of the communiqué.

The West German Government whose interest naturally is focussed almost to the exclusion of any other consideration on the Berlin and German issues, was able to shelter at this meeting under the self-appointed guardianship of General de Gaulle. Despite the apparent agreement reached between Chancellor Adenauer and President Kennedy at the Washington meeting on the desirability of negotiations, the German Foreign Minister seemed content to allow the argument to proceed without his intervention, on the basis of the French Government against the rest of the Alliance. The argument was resolved in an unsatisfactory compromise reflecting an obvious allied difference, only when Secretary Rusk threatened to part company with his French and German colleagues in support of M. Spaak's demand that the communiqué should register an allied desire to enter into negotiations.

Since the German problem (of which Berlin is only a symptom or a symbol) is the only East-West problem which seriously affects central Soviet security interests (as it does Western security interests) and is therefore the only issue capable of leading directly to world war,

Canada's interest in the outcome of this inter-allied difference is of fundamental importance. Pressure has been and will continue to be exerted on Canada to maintain the solidarity of the Alliance in the face of Soviet pressures on Berlin. Canada may be faced with the dilemma that it may only be possible to maintain solidarity on terms which may heighten the risk of war and in circumstances where Canada may have a minimal voice, as compared with the influence of the Bonn-Paris partnership, in controlling the situation through the North Atlantic Council.

In summary, it was evident at the meeting that Europe, currently under French-German leadership, is becoming increasingly unwilling to entrust the security of Europe entirely to American hands; that Europe now feels strong enough to insist on having a dominant voice in determining the fate and destiny of Europe; that France used the NATO Council for a political demonstration of Europe's ability to challenge USA leadership of the Western Alliance. In all this the normally influential voice of the U.K. was scarcely heard – presumably because of imminent membership in the EEC. The big question still remaining unanswered however is who will eventually dominate the European grouping – France and Germany or the U.K.

II. *The Atlantic Concept vs the Third Force*

The meeting also revealed that the movement towards European economic and political unity through the EEC, now in a somewhat incomplete form, shows signs of having achieved a momentum towards completion by the possible inclusion of the U.K. and of taking on the shape of a third force capable of exercising influence as an independent world power grouping.

Since power in dealing with both the Soviet Union and the U.S. must be measured in terms of nuclear capability, it is a notable fact that France and Germany – each in a different way – are now embarked on policies aimed at obtaining control over nuclear weapons. France, having failed to secure nuclear weapons on equal terms from the U.S., is going ahead with the development of a nuclear weapons programme and its own *force de frappe* which the foreign editor of *Le Monde*, André Fontaine, has described as "... the central point of Gaullist doctrine in foreign and defence policy," *Le Monde*, December 16. This nuclear force would be nationally controlled and is expected to be operative in accordance with President de Gaulle's plans within three years. The Germans, on the other hand, realizing that they are committed under their agreement with the allies of 1954 to renunciation of nationally produced or developed nuclear arms, are working towards a NATO-controlled nuclear force with the weapons supplied by the U.S.A. Defence Minister Strauss called for progress in the studies on the problems relating to the establishment of a multilateral MRBM NATO force and asked that the matter be treated as one of urgency.

The control of this nuclear force under NATO would give rise to crucial problems for Canada, as it would dilute the U.S.A.'s exclusive control over the issues of war or peace. In order to overcome the alleged disadvantages of having "fifteen fingers on the trigger," proposals under consideration by the Secretary-General and likely to emerge when discussions on this question take place in the Council may have the effect of giving a select group of countries the power of decision on the use of nuclear weapons committed to NATO. This group might well consist of the Six of EEC plus the U.S. and U.K., with a high degree of regional control over use in emergency situations.

The position of all European NATO members on this question is still not clear but those members in favour justify their plea for a NATO nuclear force mainly as a reassurance that European interests would not be sacrificed by the U.S.A. when faced with a Soviet threat directed against a European target alone. The solution of putting nuclear weapons under the control of a select group, however, raises in another form the Gaullist concept of a *directoire* which in fact could decide the issue of war and peace on behalf of the Alliance and involve Canada in nuclear devastation without proper consultation. Moreover, giving Germany control

over nuclear weapons in any form may result in a violent Soviet reaction as it may be regarded by them as a "last straw" in NATO capitulation to German militarism.

The Administration in Washington seems to be fully aware of these problems and also of the need to improve NATO's conventional forces. It appears to be willing but in no hurry to share its control over nuclear weapons with its European partners, quite apart from the constitutional impediments to shared control. The United States position was set forth in President Kennedy's Ottawa speech when he said the U.S.A. was willing to "commit to the NATO command area five – and subsequently still more – Polaris atomic missile submarines subject to any agreed NATO guidelines on their control and use and responsive to the needs of all members but still credible in an emergency. Beyond this we look to the possibility of eventually establishing a NATO sea-borne missile force which would be truly multilateral in ownership and control, if this should be desired and found feasible by our allies once NATO's non-nuclear goals have been achieved."⁷⁵

III. *Relations with the United Nations*

The discussion on the Katanga issue at the Ministerial meeting demonstrated more than ever how France and the U.K. particularly will resist subordinating their national interests to those of the U.N. Over Katanga, the British, French, Belgians, with the support of the other former colonial powers including the Netherlands and Portugal, took the view that the U.N. appeared to be acting well beyond its functions under the U.N. Charter, and challenged U.S. support for the U.N. Only Canada and Norway voiced support for Secretary Rusk, arguing that the world organization had a primary obligation to protect its personnel from the harassment of the Katangan authorities. Denmark, Iceland, Luxembourg, Italy, Greece and Turkey remained silent, but it can be assumed that most of them would support the U.N. NATO is therefore divided on this issue on colonial lines.

But the attitude of scepticism and even hostility went far beyond the expression of mere doubt about the propriety of the current U.N. operation in Katanga. France, in particular, poured scorn on the U.N. and the Secretary-General showed bias against the U.N. in his summing up of the Ministerial discussion. He also reiterated the call for NATO examination of the voting positions adopted by members in the U.N. with a view to establishing a unified approach.

This attitude of hostility shows signs of increasing as the Alliance falls increasingly under the influence of the Bonn-Paris partnership. After all, West Germany, not being a member of the U.N., can afford to be indifferent to its influence and fate. France, in its approach to its colonial problems, has directly rejected U.N. intervention and regards the enlarged membership of the Assembly as an undesirable challenge to French national interests.

This development exposes NATO not only to isolation as a group in the U.N. but of presenting a public image of an organization dedicated to the protection of the higher standard of life of the privileged few enjoying the benefits of a highly industrialized civilization, in a world where the "have-nots" predominate.

The course of increasing self-sufficiency which the Western Europeans seem to wish to chart for themselves may also tend to confront the world with a group which under the EEC practices economic discrimination and in the U.N. practises political non-cooperation with the newly emerging countries of Africa and Asia, which may therefore tend to turn increasingly to Soviet leadership.

⁷⁵ Voir/See "Address Before the Canadian Parliament in Ottawa," *Public Papers of the Presidents of the United States: John F. Kennedy, 1961* (United States Government Printing Office, 1962), document 192.

In such circumstances, Canadians would find it increasingly difficult in making a choice between supporting NATO and the U.N. The NATO which they joined was one in which the necessity of finding a means of exercising the right of self-defence under Article 51 of the U.N. Charter was clearly subordinated to the pursuit of the kind of world approach set out in the preamble of the Charter. In fact the preamble to the North Atlantic Treaty and the non-military Article 2 were among the justifications used in explaining Canadian membership in the Alliance to the Canadian public. If the European component of the Alliance were now to show itself increasingly out of sympathy with the approach to world-wide problems required of members of the U.N. under the Charter, support for the NATO in Canada might substantially suffer.

IV. Conclusion

The tendencies examined above which may lead the European group in NATO to ever greater self-sufficiency – economically, militarily and politically on discriminatory terms – pose serious problems for Canada. Because of its geographical location Canada, of necessity, does not belong to this group. Also because this whole tendency leads towards further divisions in the world through the creation of artificial barriers, Canada, as a member of the Commonwealth, as well as of the U.N., might find it increasingly difficult to accommodate its national interests in NATO if the Alliance were to go further in this direction. Urgent thought is therefore required in the analysis of these trends.

314.

DEA/50102-AD-40

*Rapport de la délégation
à la réunion ministérielle de l'OTAN*

*Report by Delegation
to NATO Ministerial Meeting*

SECRET

[Ottawa], December 28, 1961

NATO MINISTERIAL MEETING – PARIS – DECEMBER 13-15

General

Although the intended theme of the meeting was to be NATO unity in the face of Soviet pressures over Berlin, the discussions revealed important differences on the central issue of what should be the appropriate diplomatic move to be made to the Soviet Union over Berlin. Views also differed sharply on the role and responsibilities of the U.N. in the Congo. Defence questions did not figure prominently in the discussion; but the more important statements by Mr. Strauss, the German Defence Minister, and Mr. McNamara, the United States Secretary of Defence, revealed some basic differences of approach to major defence issues.

In contrast with the meeting of Foreign Ministers in Oslo earlier in the year, the December meeting was marked by an absence of cordiality, a lack of organization and frequent leakages to the press.

ITEM I – REVIEW OF THE INTERNATIONAL SITUATION

East-West Relations and Berlin

The meeting, which focussed on Berlin almost to the exclusion of all other issues, revealed that United States leadership and policy making for the Alliance are being effectively challenged by France.

U.S. Secretary of State, *Dean Rusk*, opened the discussion with an analysis of the Berlin problem against a background of an alliance, strengthened militarily, economically and politically, but confronted with the problem of world revolution espoused by the Sino-Soviet bloc and backed by its significant and growing resources. Soviet pressures on Berlin had not abated although there had been what he called "some procedural improvements" such as the removal of the December 31 deadline and an acknowledgement by the Soviet Union that any responsible discussion on Berlin must occur between the Soviet Union and the Western powers and not between the Western powers and the so-called "German Democratic Republic."

These Soviet offensive tactics were to some extent, at least, the result of Communist failures in the G.D.R., as evidenced by the outflow of refugees. West Berlin has indeed been a thorn in Soviet flesh; Communist failures have put pressures on Mr. Khrushchev who is trying to pass those pressures on to the West for a far-reaching new solution of the Berlin problem. On the other hand, Berlin was subject to continued pressure and must be sustained against Communist erosion. The minimum elements of "a tolerable *modus vivendi*" are that "the West Berliners be protected against engulfment, that they be supported against erosion ... that they enjoy free access to the rest of the world, including uncensored access, in order that the East Germans will not be in a position to determine who shall move back and forth ... We believe that they must continue to be in a position to exercise their own free choice with respect to their institutions, their laws, their protection and their relations with others and that close relations with the Federal Republic should be sustained."

The proposals put forward so far by Mr. Khrushchev carried dangers not only to Berlin but to NATO. To meet these dangers a policy of firmness and determination was required as well as unity. It was also important in a dangerous situation that Mr. Khrushchev should not be under any illusions regarding Western firmness so that he should not fall into the errors of other dictators of miscalculating the risks of war and taking chances with a dangerous gamble. The United States attached great importance to the measures of a military nature which have been discussed in NATO "because we think those military measures are themselves eloquent. Indeed I think that one has found in this autumn period a certain degree of caution in Mr. Khrushchev which was missing in the summer." Mr. Rusk stressed the need for continuing Allied consultation on Berlin to ensure unity and the need to search for a peaceful solution. With a policy of firmness must go a readiness, through responsible contacts with the Soviet Union, to search for peaceful solutions. If West Berlin engages the vital interests of the West and "if attack upon those vital interests is a *causus belli*, then it would seem to us that it is of great importance that we establish effective contact with the other side in order that a crisis should not move too far, too fast and on an uninformed basis."

The United States did not know "whether it is possible to find a basis for negotiation in the classic sense," but given the issues and the dangers it was wise and prudent to maintain effective contact in order to find out what possibilities exist for a peaceful settlement. There was no need to fear a negotiation in which we would give away that which we would be prepared to fight for. The negotiators could always say no. In all the recent talks with Mr. Gromyko, no basis of negotiation had emerged but certain questions were left open; a degree of vagueness was present which left the way for further exploration.

Mr. Rusk cautioned against the premature convoking of a formal negotiation which would have to be conducted in the formal glare of publicity and would engage the positions of leaders on both sides. In his view, it was preferable to continue probing through diplomatic channels on a basis agreed to by the Western Four. In that way "we may discover how, whether and when the possibilities for a peaceful settlement can be found." On the question of timing of resumed probings, Mr. Rusk said it should take place sooner rather than later. He was not ready to leave the initiative to the other side.

The new German Foreign Minister, *Mr. Schroeder*, following Mr. Rusk, outlined well-known German positions. Germany was not alone in facing the supreme challenge of Berlin. They did not fear being isolated because they felt they could count on the Alliance. In fact NATO had been strengthened as a result of the artificial crisis fomented by Mr. Khrushchev over Berlin.

The West should envisage negotiating either about the comprehensive problem involving German reunification and European security, or about a very restricted subject such as some aspects of the Berlin problem. While it was probable that the restricted subject would be the best point of departure, negotiations of this nature will not lead to a final solution of the Berlin problem which was only conceivable in terms of reunification with Berlin as the capital.

Germany would be prepared to work towards a *modus vivendi* provided it did not prejudice in any way the settlement of the Berlin problem as a whole. The "main hope of these negotiations would be to improve access." He also stressed the importance of preserving the "psychological viability of West Berlin" which depended on the maintenance of economic, financial and political links with the Federal Republic. Otherwise through the exodus of citizens and the withdrawal of investment Berlin risked becoming an empty shell whose defence would be pointless.

Mr. Schroeder was particularly emphatic about non-recognition of the East German régime either *de jure* or *de facto*. If recognition were granted to the régime, this would only encourage the Soviets to attempt further expansionist moves in Europe. It would also give the people of East Germany the impression that they were being forgotten by the West. On the other hand, within the framework of this policy the Federal Republic was prepared "to establish contacts with the Soviet zone at the technical level in order to ensure that the practical problems of access to Berlin are handled as smoothly as possible." But this would be without prejudice to Western rights.

The problem of the German frontiers and European security should not form part of the settlement of individual aspects of the Berlin question. However, Germany was prepared to declare again its renunciation of the use of force and to agree to unilateral non-aggression declarations by NATO and the Warsaw Pact countries. Any *modus vivendi* on Berlin would not mean, however, the abandonment of the ultimate aim of reunification. The unnatural division of a people in the heart of Europe could not be lived with indefinitely. The main emphasis should be the solidarity of the Alliance on this matter. (Before concluding, Mr. Schroeder gave a summarized report on conditions in East Germany which underlined the fact that there was no sign of relaxation of the totalitarian dictatorship in the eastern zone.)

Mr. Segni and *Mr. Krag*, the Italian and Danish Foreign Ministers, both advocated continued efforts to establish a basis of negotiations with the U.S.S.R. Mr. Krag also gave assurances of Denmark's staunchness in the face of Soviet pressures over the Baltic Command and Finland. He reported on the approval given to the Baltic Command by the Danish Parliament and on the warning note delivered by the Soviet Union reiterating the old charge that the Baltic Command converts the Baltic Sea into a concentration area for aggression against the Soviet Union.

Mr. Spaak of Belgium then launched the most direct attack on the French position and the most powerful appeal for negotiation. NATO was faced, he said, with the choice of either continuing a peaceful foreign policy, allowing nature to take its course or to take more positive action to deal with a threatening situation. He urged that NATO take the initiative away from the Russians who could always be counted on to use threats to gain their ends and to face NATO with a *fait accompli*. The situation in Berlin was deteriorating and no time should be lost in establishing a basis for negotiations. While endorsing "the narrow approach," he warned against public discussion of the negotiating position. As to the refinements mentioned by Mr.

Rusk concerning further probing and diplomatic contacts as against formal negotiations, Mr. Spaak asked who or what was left to probe. The Soviet Union was in fact probing the West while not divulging any of their own fall-back or final positions. It was no sign of weakness in negotiating. The only weakness is to be weak in negotiation.

Strong support for the German thesis was given by *Mr. Luns* of the Netherlands emphasizing that there should be no recognition of the GDR or negotiation on European security issues involving disengagement or demilitarization or even denuclearization of Germany beyond the limitations which it has already accepted. Germany needed to be drawn more closely into NATO through the integrated force including the introduction of nuclear armament. Along with Mr. Sarper of Turkey and Mr. Averoff of Greece, Mr. Luns took issue with the French position on negotiations emphasizing that time was not on our side.

M. Couve de Murville made an unconvincing and somewhat half-hearted exposition of the familiar French thesis against negotiations. The issue was not Berlin. The manufactured crisis involved, in fact, the future and fate of Germany and therefore of Europe and of NATO and finally of France itself. The Soviet objective was the neutralization of West Germany and the dissolution of NATO through the detachment of Germany and, if possible, the Scandinavian countries. In what presumably was an oblique reference to the EEC, M. Couve said it was for this reason that France was seeking a new equilibrium in Europe to shield itself from the Soviet Union. NATO was involved in a trial of strength against Soviet pressures and intimidation with the possible risk of atomic war. The main reaction from the military side had been the U.S.A. military contribution but France had done what it could. The crisis should be faced with firmness and dignity and maximum resolution should be displayed in protecting essential western interests.

France had never resisted negotiations in principle; the question was under what conditions should negotiations take place. The two essential prior conditions were: (i) no threats or ultimatums; (ii) the West should know what to negotiate about. Neither condition obtained now. Mr. Khrushchev had renewed his threats and the Soviet Union had merely reiterated its unacceptable proposals. He disagreed with Mayor Brandt who urged negotiations because of increased anxieties in Berlin; in the French view the anxiety of Berliners would increase if negotiations, as probably would be the case, resulted in a compromise between the present status and Soviet demands. No agreement would be better than a bad agreement. He said the French Government was not opposed to further probing to establish whether a basis for negotiations existed. It was unrealistic, however, to expect that out of such negotiations would emerge a settlement amounting to a *détente*.

Following M. Couve, the Secretary of State for External Affairs, *Mr. Green*, said the essence of the Canadian position was to keep the Alliance strong but to be prepared to negotiate. He questioned whether it was realistic to expect the Soviet threat to disappear or even to diminish. The timing of negotiations should not be determined solely by the degree of Soviet harshness and moderation currently in vogue; otherwise the West would forfeit any power of initiative or control over developing events. The four simple and constant factors in the present situation are (i) experience of the past few months shows that time is not on our side; the process of ever increasing pressure and of steady erosion of Western rights will likely continue; (ii) since the Soviet Union has it on its power at any time of their own choosing to sign a peace treaty with the GDR the West would then have either to deal directly with the East German régime or to resort to force, neither of which is likely to enhance the freedom or the security of the people of West Berlin; (iii) the removal of the December 31 deadline at least took away the element of an ultimatum from the Soviet position and enables the Western powers to explore the various possibilities of arriving at a basis for negotiation; (iv) if the deadline were reimposed or if Soviet pressures over Berlin were increased governments would

be faced with serious decisions involving the risk of war. Before such happens it is essential for each Western government to be able to indicate to its people that they have endeavoured to improve the situation through negotiation.

In the hope of facilitating agreement on the Western negotiating position Canada agreed with the NATO statement recently sent to the Ambassadorial working group in Washington recommending that they attempt to reach accord without delay on an initial negotiating position which should be restricted if necessary to consideration of the status of Berlin and access to it. Canada also believed the West should not overlook the need to explore some of the broader questions which the Soviet Union may raise in the context of discussions on Berlin or to which the agreed so-called narrow approach itself may lead. Even in the context of a settlement confined to Berlin alone every means should be explored of finding ways to give Berlin secure and durable guarantees. One way might be a possible provision for a role for the United Nations. The very presence of the U.N., such as the holding of regular or periodic meetings or of moving the European office of the U.N. to Berlin would give a measure of stability and an international stake in the preservation of a free Berlin.

In conclusion Mr. Green emphasized that the worst step NATO could take in the interests of world peace would be if word went abroad that the West had no intention of negotiating on the problem of Berlin. On the other hand if NATO could announce a willingness to negotiate it would give hope to mankind and "will give a great fillip to the working out of some method in which the nations of the world can live together in peace" (Full text of Minister's statement contained in Annex "A").†

Mr. Lange of Norway, drawing on his recent talks with Mr. Khrushchev, strongly supported Mr. Green's contention that it was essential to get negotiations going without delay. The French argument against negotiations seemed to be related mainly to the long-term Soviet threat but was not a valid argument in dealing with the immediate threat of the erosion of the Western position in Berlin. He was in favour of "the narrow approach" and supported the Canadian suggestion of a U.N. presence being helpful in giving Berliners a sense of security and viability. He also supported Mr. Krag in assuring the Council that the Scandinavians would resist blackmail from the USSR over the Baltic Command and Finland.

The U.K. position outlined by *Lord Home* supported in general the approach set forward earlier by Mr. Rusk. The Berlin crisis had to be considered against a background of "militant intervention in international affairs by the Soviet bloc" and required (i) Western military preparedness including the nuclear threat and assurance against any vacuum into which communist forces might infiltrate and (ii) the finding of a degree of agreement or at least tolerance with the USSR. Policies of force and negotiation were essentially complementary; people faced with the prospect of being blown into atomic dust had to have the assurance that everything possible had been done to reach agreement. While not quarrelling with the French thesis that the Berlin problem had to be seen in the German and European setting, this did not constitute an obstacle against negotiating now. Our requirements were clearly established and the Russians could be expected to make counter proposals. Concessions should not be made without extracting matching concessions. His conversations with Mr. Gromyko had, he thought, persuaded the Russians of the dangers inherent in turning Soviet rights of controlled access over to the GDR which could lead from a collision with Western rights into a conflict. While the Russians may have also suffered some defeat by having to erect a wall to keep East Germans in, the erosion of the Western position through sustained pressures was working against the West. On balance, therefore, time was not on our side. If we waited longer the West might be faced with an even more dangerous crisis and the pressures on the West for concessions would be correspondingly greater.

In summing up, the *Secretary-General* justifiably described the discussion as interesting and rewarding. He was not prepared to attempt a summation however, because although there was a large measure of agreement, one government was definitely opposed to negotiation although not opposed to diplomatic contact with the USSR. This difference of view was, if anything, sharpened during the discussion of paragraph 8 of the communiqué. Despite support for the UK-USA position from virtually all members, and a vigorous renewed counter-attack on the French position led by Mr. Spaak, the French Foreign Minister would not budge beyond reluctant agreement that contact should be continued through diplomatic channels to see whether a basis for negotiations could be found. In particular, Mr. Couve de Murville refused to accept any language in the communiqué which would reflect any allied desire for a settlement by negotiation. Because of the apparently over-riding U.S.A. preoccupation with the need for Western solidarity in the face of a grave Soviet challenge Mr. Rusk decided to yield to French intransigence and the argument was resolved after some three hours debate in an unsatisfactory compromise wording reflecting an obvious allied difference. (Copy of final communiqué attached at Annex B.)†

ITEM I(B) – REVIEW OF THE REPORTS BY GEOGRAPHICAL AREAS

Discussion under Item I-B of the Agenda was devoted largely to developments in the Congo and the role of U.N. There were also short statements by Mr. Luns concerning the situation in Netherlands New Guinea, by Mr. Rusk regarding developments in Laos, South Vietnam and the Caribbean, by Mr. Nogueira concerning Goa and by Mr. Sarper and Lord Home concerning developments in the Middle East.

The Congo and the United Nations

Mr. Spaak opened with a lengthy statement reflecting the difficulties which the situation in Katanga were causing in the Belgian Parliament and in Brussels. His concern arose not only in terms of the Congo but also in terms of the criticism in Brussels of Belgium's allies. The Belgian Government believed the secession of Katanga would be a serious development; a federal solution for the Congo was desirable. On the other hand, he did not believe it had been the intention of the supporters of the U.N. action that the U.N. should attempt to impose a political settlement in the Congo. In his view the U.N. operation was no longer a police action but a full scale war. He had found it extremely difficult to get clarification from the Secretary-General as to what the real objectives of the current U.N. military operations were. It was true that the Congo could not live without Katanga, but a destroyed Katanga would be of little value to the Congo. He was equally worried about the effect of what was happening on the solidarity of the Alliance. It was the task of the Alliance to examine the situation as a matter of urgency and to attempt to find some common basis for action. He hoped this common accord could be reached on a policy directed towards conciliation in the Congo and not military action.

Lord Home expressed his government's concern at what he termed the chaotic situation in the Congo which might extend right across the centre of Africa if we were not able to work towards a better solution. The only hope would be if the U.N. could enlist cadres of people who knew the African continent to help in the transition towards independence of the states in Central Africa. The original U.N. action had been designed to prevent the involvement of the Congo in the cold war. That role for the U.N. was still valid. However, it now seemed that the U.N. forces on the ground had got themselves into the position where instead of the U.N. being the conciliator it was now appealing to find a conciliator who could conciliate between the U.N. and the local Africans. (N.B. it is not known on what basis Lord Home made this assertion.) It seemed obvious to the U.K. that the U.N. was not equipped to undertake anything except the smallest police action.

In a short intervention, *Mr. Rusk* expressed his government's concern that the position of the central government be sustained and that Katanga should not succeed in seceding from the Congo. Efforts to bring Mr. Adoula and Mr. Tshombe together had so far been unsuccessful. It was his personal view that the U.N. effort last September had been a mistake. On the other hand the present fighting had been precipitated by the action taken against the U.N. forces by the Katangese. The United States did not believe that the U.N. could have as its political objective the bringing about of a political solution in Katanga. The U.N. could do no more than ensure its own security in its communications and protect U.N. forces from continual harassment by the Katangese. It was the hope of the U.S.A. that the fighting could be stopped and the process of conciliation resumed. The U.S.A. was not supporting any unlimited military mission for the U.N. in the Congo, but unless the problem of the Katanga secession could be resolved along with the problem of a possible secession by Mr. Gizenga's province, we were in deep trouble in the Congo.

Mr. Lange and *Mr. Green*, speaking later in the debate, gave strong support to the U.N. and to the U.S.A. position (copy of Mr. Green's speech attached as Annex C).† Of the four or five other speakers who entered the discussion, most were critical of the U.N. operation and supported the view that there should be an immediate cease-fire in Katanga and that the U.N. should concentrate its efforts in bringing about reconciliation between the central government in Leopoldville and Mr. Tshombe. There was no disagreement, however, on the main objective of obtaining a solution which would permit the establishment of a United Congo Republic including Katanga, especially since that province was, for economic and financial reasons, indispensable to the establishment of a viable Congo state.

During the discussion there was also a good deal of criticism of the U.N. by the United Kingdom, France and Portugal, and others, which went beyond its particular operations in the Congo. *Lord Home* in particular made a plea that the NATO Governments should give their serious attention to the present state of the U.N. He described the recent U.N. resolution calling for immediate independence for all colonial areas as complete and absolute nonsense and said that if it were carried out there would be country after country which would be brought to a chaotic condition within a few months. He asked how long the Western countries were prepared to continue observing the convention in the U.N. where "we all subscribe to or abstain on resolutions which we know are not only nonsense but, if they were carried out, extremely dangerous." In summing up, *Mr. Stikker* drew attention to this point of view and asked that serious thought should be given to the attitude NATO countries should take in the U.N. when "unrealistic" resolutions are being proposed. He also pointed to the plea made by Mr. Nogueira for NATO solidarity on world wide questions and added that to limit solidarity to the Treaty area was a disadvantage. Any progress which could be made in extending solidarity to world-wide issues would, in Mr. Stikker's view, strengthen the cohesion of NATO.

The Far East

The Netherlands Foreign Minister, *Mr. Luns*, referred briefly to recent sabre-rattling pronouncements by President Sukarno and to the number of military measures which were being taken by the Indonesian Government threatening an attack on Netherlands New Guinea. He therefore urged the allies of the Netherlands to exert as strongly as possible in Djakarta diplomatic pressure and warnings to the Indonesian Government against launching aggression against Netherlands New Guinea. He expressed gratitude that the U.S.A. had already taken such action and confidence that it had achieved the desired effect. He expressed concern that if India were allowed to overwhelm Goa by military might this would constitute a dangerous precedent and might encourage Indonesia to take similar action.

The following day the *Portuguese Foreign Minister* expressed his full support for Mr. Luns' appreciation of the implications of any Indian seizure of Goa. India, he said, did not want to negotiate "except on how we should let them grab Goa." They wanted no investigation of so-called incidents and were not prepared to abide by the judgment of the International Court which had clearly established the Portuguese claim to Goa. He concluded by saying that his latest information was that India would start military operations either December 14 or 15. At this point, both the U.S. and U.K. Ministers intervened to underline the seriousness of the situation and to indicate that their governments had already made strong representations to India.

On Laos, *Mr. Rusk* merely reported that the three Princes had had a meeting in Xen-Khouang and planned a second at the end of December. The conference in Geneva had gone relatively well but the possibility of further progress depended upon the formation of a coalition government which would have a reasonable chance of being a neutral government.

On South Vietnam, Mr. Rusk described U.S.A. efforts to provide support and assistance to the South Vietnamese in their fight against the guerrillas. He indicated the U.S.A. would be supplying military means which would permit the Vietnamese a higher degree of mobility both on the ground and in the air. He expressed hope that the allies of the U.S.A. would take advantage of any opportunities to give the governor of South Vietnam at least some political support and "if called upon, perhaps some other kinds of assistance and support."

Latin America

Mr. Rusk described briefly the situation in the Dominican Republic and the U.S.A. efforts "to get these people to set aside some thirty years of bitterness, fear, hatred, violence and to gather themselves together in a moderate coalition government ... (and return to) ... full cooperation with the Organization of American States."

On Cuba, Mr. Rusk outlined the preparations for and the problems relating to the January meeting of the O.A.S. He said the shape of the meeting was likely to be based upon the initiatives taken by Colombia having in mind the conditions under which Cuba might withdraw from its present ties with the Sino-Soviet bloc and return to full co-operation with the OAS. Failing that, the OAS would consider what measures it ought to take to protect the hemisphere from the kinds of harassments, infiltrations and threats which are coming out of the Cuban régime at the present time. He concluded by suggesting that the NATO members in shaping their own policies with respect to Cuba might wish to consider the extent to which they could take into account the attitude of the OAS as it evolves over the next several weeks.

Middle East

Mr. Sarper (Turkey) gave the Council a lengthy analysis of developments in the area. *Lord Home* followed with a short statement. The more significant points made were (a) the danger is now much less that Arab unity would only be achieved at the price of its being directed by the racial and extreme nationalist policies of President Nasser; (b) with the dissolution of the Union of Syria and Egypt, the present Syrian régime is much more inclined towards the West; (c) Iraq has alienated Kuwait and with it a portion of the Arab League; (d) although under great pressure from President Nasser, Jordan's independence is still intact; (e) with the exception of Saudi Arabia, the sheikdoms of the Gulf maintain friendly relations with the U.K.; (f) the Russians are on the whole becoming more and more unpopular in Iraq; (g) in general it is probably fair to say that Communism has had a setback in the area.

ITEM II – MILITARY QUESTIONS

Status of NATO Military Effort

Following a briefing by the Chairman of the Standing Group on Soviet capabilities, the substantive discussion was opened with a statement by *Mr. Stikker*, who informed Ministers that the Permanent Council's examination of defence questions and the development of agreed guidelines had not been completed largely because of the priority which had had to be given to developments relating to the Berlin crisis. He mentioned that, broadly speaking, two broad categories of problems had been examined: (i) the role and organization of the shield forces, and (ii) the utilization and political control of nuclear weapons. There was, he said, general agreement on the need for a truly balanced force capable of meeting any type of enemy threat but, he pointed out, some concern had been expressed about the high cost of providing such a force. He also referred to the general guidance approved by the Council instructing the Military Committee to ensure that the end-1966 force requirements took into account the necessary increases in conventional forces without prejudicing the development and maintenance of the nuclear capability essential to NATO forces. The military authorities were also reminded by the Council that, although action on requirements for MRBM's had to be deferred at this time, the subject would be considered by the Council at an early date. He concluded by emphasizing the importance of clarifying ideas in respect of NATO strategy and pointed out that the NATO military authorities recognize that the end-1966 force requirements will have to be revised in the light of the conclusions of the current study of NATO strategy.

The main substantive statement was made by the German Defence Minister, *Mr. Strauss*, who, after outlining German efforts to meet agreed force goals and the current emphasis on the build-up of conventional forces, made a strong plea regarding the absolute necessity of a strong nuclear component for NATO forces. He argued that too much emphasis on NATO's conventional strength would mean trading loss of territory for time and political manoeuvrability. "Germany, in its exposed military-geographic position like some other countries along the front line, must be freed from the fear that large parts of its territory might be overrun by the enemy either in accordance with the present emergency defence plan or due to the conventional superiority of the enemy." In such a situation an alliance with unbalanced forces would be faced with the dangerous alternative either of risking general war at the time or of accepting a loss of territory. A balanced deterrent containing both nuclear and conventional elements was thus necessary not only to have a certain margin for selecting military countermeasures but also to keep the deterrent credible for the European allies as well as for the potential or presumptive aggressor.

On MRBM's, *Mr. Strauss* pointed to the intelligence reports of growing Soviet capabilities in this field and the increasing vulnerability of the entire European area. This created a whole series of military, political, technical and psychological problems which would require serious study before nuclear parity is reached some years from now. While this situation is partially outweighed by U.S.A. and U.K. strategic capability to attack these targets, it does not solve the problem. He added that "the most dangerous weapon which an aggressor might use against Europe can be less and less covered in the future by the capabilities available to the NATO Commanders and more and more only by strategic capabilities remaining under national control." Germany, he said, had always advocated increased integration in the military field but if progress in this concept were impeded or further delayed "anti-integration trends might well become even stronger."

In conclusion, *Mr. Strauss* indicated that the Federal Republic supported SACEUR's requirements for MRBM's and strongly recommended that urgent attention be given to study of the political, military, technical and financial questions and to the particularly important problem of control. He expressed particular gratitude for the U.S.A. offer concerning the

establishment of a multilateral MRBM force and for “the guarantee of a NATO influence on the nuclear weapons.” He agreed with SACEUR that in the framework of the modernization of armed forces and under the concept of balanced forces, MRBM’s are indispensable for the defence of Europe. He proposed that members should submit their ideas within a given date and that a combined political-military working group should be set up to study the control of nuclear weapons within NATO and the introduction of an MRBM system into Allied Command Europe and should work out recommendations for possible solutions to the problem.

Mr. Visser of the Netherlands spoke of his country’s defence efforts and expressed hope that the measures now being taken in order to strengthen NATO defence for the immediate future should, as far as possible, be designed to promote the achievement of the military posture which will have to be maintained in the coming years. He also expressed hope it would be possible to hold the Triennial Review in 1962, although agreement on NATO’s longer term force goals still had to be achieved.

On MRBM’s he mentioned that SACEUR had made many appearances before Council to justify this requirement which is supported in the end-1966 force goals. Without the MRBM element, that plan would no longer constitute a balanced force. In order to maintain confidence in our defence planning, it was essential that we determine soon how the MRBM requirement is going to be fulfilled.

On control over nuclear weapons, he mentioned that this is related not only to MRBM’s but to other nuclear weapons as well. He mentioned that one of the main conclusions of the Military Committee’s report was the requirement to be able to initiate, if necessary, a nuclear reaction within two - fifteen minutes. This pointed up the difficulty of working out an arrangement which would satisfy both the military requirements and the need for political control. The control problem was one which best illustrates the basic problem with which the Alliance is faced, i.e., the need to integrate the defence policies and efforts of fifteen sovereign nations for the defence of the NATO area.

Support in principle for the concept of establishing a multilateral MRBM force was expressed by the Italian Defence Minister, *Mr. Andreotti*, who devoted most of his statement to Italian efforts to increase the size and efficiency of their forces, measures which would necessitate an increase of 6% in the defence budget for the current fiscal year and of more than 10% for 1962-63. *Mr. Sarper* of Turkey spoke mainly about NATO strategy and strongly opposed any suggestion that the present strategic concept and political guidance should be revised. He was prepared to accept the idea of new interpretations of existing documents but was against any interpretation or revision which amounted to the acceptance of the notion of local or limited wars. He gave support to the Greek Defence Minister’s suggestion that a common defence fund be established to enable countries with economic development problems to fulfill more adequately their defence obligations. Like Greece, Turkey’s forces were heavily dependent on external aid and the government would have to place an additional heavy strain on the country’s resources if it was to meet its 1962 force goals and SACEUR’s recommendations in relation to the Berlin build-up. The Danish Defence Minister’s intervention consisted of a report on Danish Parliamentary approval of the NATO Baltic Command and on the problems relating to the present state of the Danish Armed Forces.

In the French view the main problem was one of establishing priorities particularly when, as the Italian Defence Minister had pointed out, even current demands were making heavy demands on national financial resources. These priorities would have to be considered, according to *Mr. Messmer*, not only in linear terms but also in depth and would have to take into account requirements for social progress at home as well as aid to underdeveloped countries which, after all, constituted a basic element in the West’s fight against communism.

Moreover, priorities would have to vary from nation to nation and in France's case account would have to be taken of its responsibilities in Algeria and Africa. He expressed worry about waiting for the build-up of the West's conventional forces if we have decided to develop our nuclear forces. He also indicated it would be equally dangerous to believe that, in the event of a Soviet conventional attack, Western conventional forces alone would be able to force a pause sufficient to enable consultations to be held to decide on the employment of nuclear weapons. A limited but rapid nuclear response would be indispensable in the face of widespread Soviet conventional attack.

Commenting on Mr. Strauss' remarks, the United Kingdom Defence Minister, *Mr. Watkinson*, said he did not see how it would be possible to make any final and definitive judgments on MRBM's until similar judgments were reached with respect to NATO strategy. Supported by Mr. Rusk he suggested that the German proposal, including the idea of a joint political-military group, should be referred for early consideration by the Council in Permanent Session. General agreement was reached on this basis.

Special Restricted Session on Defence

It will be noted that the United States did not participate actively in the general discussion of defence questions summarized above. Instead, at a special restricted meeting of the Council held following the general defence debate *Mr. McNamara* gave Ministers a comprehensive and revealing account of U.S.A. estimates of relative East-West strengths and of U.S.A. views on the more important aspects of NATO defence policy.

Since it was largely at the suggestion of the U.S.A. that the Permanent Council had deferred discussion of nuclear strategy last fall and had agreed to postpone any decision regarding the MRBM elements in the end-1966 force goals, Mr. Strauss' remarks could be interpreted as a challenge to the U.S.A. position. Moreover his references to a stronger nuclear component in the shield forces and to the need to avoid losing territory along the front line were clearly aimed at the present U.S.A. emphasis on giving priority to increasing the conventional strength of NATO shield forces in order to raise "the threshold" at which nuclear weapons might have to be used.

Mr. McNamara's statement began with a comparative analysis of nuclear strengths which showed that NATO has a decided advantage in terms of both delivery systems and nuclear weapons of practically every category and in terms of surviving strategic nuclear forces following a full-scale nuclear exchange, regardless of which side initiated it. However, since the threat of general nuclear war had not been sufficient thus far to deter the Soviet Union from pressures and other actions to erode vital Western interests, the present relative strengths in the conventional field were particularly important.

While the U.S.S.R. has superiority in conventional forces at the present time, this superiority, Mr. McNamara said, is not overwhelming. NATO has the capability during the course of the present tensions to provide a non-nuclear defence of the NATO area adequate at least to hold a Soviet conventional attack for a period sufficient to cause the Soviet Union to realize the gravity of the course upon which it has embarked. From this the Secretary of Defence drew the following conclusions: (i) general war superiority is and must remain a fundamental strength of NATO. However, because its effects would be so grave, it should only be resorted to after exhausting all feasible political, economic and other lesser military actions; (ii) the relative non-nuclear balance leaves the West vulnerable to the continued aggressive policy of the Soviet Union employing minor aggressions or limited conventional actions. A NATO capability to defeat Soviet aggression at whatever level it occurred would make such Soviet actions clearly futile; (iii) the West should make certain that it is better prepared for future crises than it has been for the present one. In the course of his remarks Mr. McNamara outlined the grave weaknesses revealed by a survey undertaken in connection with the Berlin

crisis. (iv) We must recognize the dangers of exclusive reliance on general nuclear war as an instrument of policy and make the effort required to build a strong non-nuclear capability as well.

On control over nuclear weapons Mr. McNamara reiterated the U.S.A. view that “nuclear weapons must be subject at all times to responsible political control that meets the needs of all NATO countries.” The U.S.A. recognized the need for timely political decisions and the legitimate desire of all NATO members for participation in determining the policy, the strategy and the circumstances for the use of nuclear weapons.

On MRBM’s the Secretary of Defence referred to the extent to which a significant portion of the U.S.A. strategic effort is devoted and will continue to be devoted to targets which threaten Europe but which do not directly threaten the U.S.A. In military terms, the issue is essentially how to make the best use of our resources; political views differ however. The U.S.A. remained willing to discuss any steps which the Alliance might wish to take in this direction. To meet the demands of the mid-1960’s the U.S.A. had recently undertaken the design phase of an MRBM but this design project was without commitment as to future production or as to method of deployment. Although President Kennedy’s Ottawa offer⁷⁶ still remained open, the U.S.A. would not be prepared to facilitate procurement of MRBM’s for a NATO force which was not “truly multilateral in ownership and control” as described by President Kennedy in his Ottawa speech.

Concluding, Mr. McNamara listed the main future requirements of NATO defence policy:

(a) The Allies must continue to have nuclear superiority, delivery forces capable of defeating Soviet forces and, if necessary, capable of destroying the U.S.S.R. Geographic and military reasons dictate that the bulk of those forces should be based outside of Europe. The major portion of these forces has been and will continue to be provided by the U.S.A.

(b) Although maintaining a preponderance of tactical nuclear weapons in Europe, “we cannot – nor should we attempt to assign a general war mission to forces based in Europe which does not take account of the role of the nuclear forces based outside the continent.”

(c) Although NATO’s nuclear strength must continue to grow there is a continuing requirement for non-nuclear forces adequate to deter or to defeat Soviet non-nuclear aggression at various levels of intensity.

(d) Collectively NATO has much greater resources than the U.S.S.R. and its satellites and those countries which are economically able to do so should assume their full share of the overall requirements.

Resolution on Defence

At the conclusion of the general discussion, the draft resolution on defence (document C-M(61)143) was approved without comment. It takes note of the assessment of the NATO military authorities that “until the remaining deficiencies are overcome the capability of the NATO forces to carry out their assigned missions ... will continue in jeopardy ...” and underlined that despite the recent improvements necessitated by the Berlin crisis “national goals still too often fall short quantitatively as well as qualitatively of the requirements of the NATO military authorities.” Copy of resolution attached as Annex D.)†

⁷⁶ Voir/See “Address Before the Canadian Parliament in Ottawa,” *Public Papers of the Presidents of the United States: John F. Kennedy, 1961* (United States Government Printing Office, 1962), document 192.

Co-operation in Research Development and Production

The *Secretary-General* pointed out that the Armaments Committee was still engaged in preparing its report which would cover the results achieved in the specific twenty projects; he suggested the report might be dealt with at the next meeting of Defence Ministers if one were held. *Mr. Watkinson* expressed general satisfaction with the results achieved to date and expressed the view that the Committee was on the point of moving from its preliminary work to actual decisions where difficulties would probably arise. He urged that governments make a real effort to co-operate and to share the increasing cost and complexity of arms even if it does mean giving up occasionally individual national ideas and projects.

Speaking for Canada, *Mr. Harkness* underlined the continuing need for real co-operation in this field and reviewed briefly the wide measure of Canadian participation in the various projects. He said that the time had arrived to review the activities to date, to determine whether they should be continued, expanded or redirected. If a NATO Defence Ministers' meeting were convened in the spring of 1962, Canada supported the idea that the meeting should review the research, development and production programme.

ITEM III — OTHER BUSINESS

Economic Problems of Turkey and Greece

Mr. Inan of Turkey emphasized the importance which his government attached to the special NATO report which was being prepared on the economic situation in the two countries. He then spoke of the Turkish Government's long-term development programme and of the special problems involved in attempting to foster economic growth by diverting resources from consumption to capital formation or investment. This was particularly difficult when the people expect from the new government immediate and effective improvement in living conditions. Turkey's challenge, which was also a challenge for NATO, was to give its peoples an adequate standard of living while retaining intact the framework of democracy and justice.

Civil Emergency Planning

Short statements emphasizing the importance of NATO civil emergency planning were made by the Minister of National Defence, *Mr. Harkness*, and by the German and Netherlands Foreign Ministers. *Mr. Harkness* stressed that extensive civilian preparations are necessary in order to reduce casualties and chaos in a nuclear war and to lend more credibility to the deterrent posture of the Alliance as a whole. The international preparations in NATO were moving in the right direction but not fast enough; only in the field of shipping was any international agency ready to function. He suggested one way to achieve more progress would be to increase beyond the small increase now contemplated the number of full-time officers on the NATO international staff working on this programme. (Copy of *Mr. Harkness'* statement attached as Annex E.)† *Dr. Schroeder* spoke of German national efforts in this field and urged that more should be done at the NATO level. He felt these problems should be dealt with in increased measure at Ministerial meetings and proposed that the subject should be placed on the agenda of the next ministerial meeting. *Mr. Luns* noted that while some progress has been made in recent months the primary necessity was for countries to increase their national activities in this field. Ministerial meetings should also give more time and attention to the subject than they have in the past. Summing up, the *Secretary-General* acknowledged that much remained to be done and that certain nations were sadly lagging in their civilian preparations for war. However, with greater Council interest in the problem and the increases in the NATO international staff which he had been authorized to make following the Oslo meeting, he felt it would be possible to make new progress.

ITEM IV – DATE AND PLACE OF NEXT MEETING

It was agreed to accept the Greek Government's invitation to hold the annual spring meeting of NATO Foreign Ministers in Athens from May 3 to 5.

Although several delegations expressed themselves in favour of a Defence Ministers meeting in the spring, no final decision was taken. Mr. Rusk suggested there might be some advantage in having the Defence Ministers meet with the Foreign Ministers in Athens but Mr. Stikker pointed out this raised enormous problems of accommodation. The question was left open.

CHAPITRE III/CHAPTER III
ÉTATS-UNIS
UNITED STATES

PREMIÈRE PARTIE/PART I

CONVERSATION ENTRE LE PREMIER MINISTRE
ET LE PRÉSIDENT DWIGHT D. EISENHOWER,
WASHINGTON, 18 JANVIER 1961
CONVERSATION BETWEEN THE PRIME MINISTER
AND PRESIDENT DWIGHT D. EISENHOWER,
WASHINGTON, JANUARY 18, 1961

315.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], January 19, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Secretary of State (Mr. Dorion),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
The Minister without Portfolio (Mr. Halpenny).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretaries to the Cabinet (Mr. Fournier), (Dr. Hodgson).

CONVERSATION OF PRIME MINISTER WITH PRESIDENT EISENHOWER

1. The Prime Minister said that during his visit to Washington, where he had been the day before to sign the Canada-U.S. Columbia River treaty, he had been able to speak at some length with the retiring President of the United States. Mr. Eisenhower had told him in megatons the number of atomic bombs in the possession of the United States. This figure would indicate that no one else need ever have any. The views which the President now held

on Khrushchev had greatly changed from those he held in June and in September 1960. He now thought that Khrushchev would be the only person who could preserve the peace. Khrushchev had to talk tough because of China. Mr. Eisenhower had said that, during his eight years in office, the Communists had made great progress and that by 1975, unless the West adopted more resolute policies, communism would spread throughout the world. He thought that the day was not too far off when the Russians would have to side with the West against China. He further believed that the U.S. policy should be not to withhold the control of atomic bombs but to make it available to all nations. After all, the French had the bomb now, the Chinese would probably have it within a year. He thought the new U.S. President, might have views along this line as well.

With respect to assistance to underdeveloped countries, Mr. Eisenhower had said that he had come to the conclusion that such assistance really paid no dividend. The recipient countries were playing the neutralist game of opposing the principal donors one against the other. Previously, he had been opposed to hand-outs of surpluses but he appeared to favour them now. Countries like West Germany, France and the United Kingdom should be invited to do much more to help needy countries.

He had said he would probably write columns in newspapers as well as a book, and would travel. He would like to bring the United States, Canada and Mexico closer together. No one had been able to work out the reasons for unemployment, and public works were no cure unless one could see ahead two years.

2. *The Prime Minister* said he had discussed the sale of CL-44 aircraft with the President who had told him that it would be impossible at this time and it would most likely remain impossible for the United States to purchase this aircraft from Canada. The purchase might have been acceptable the previous June but there was now great deterioration in the American aircraft industry. Soon there would only be one large company, Boeing, left. Douglas would soon be out of business.

3. *The Cabinet* noted the report of the Prime Minister on his conversation with President Eisenhower.

...

2^e PARTIE/PART 2

RELATIONS CANADA-ÉTATS-UNIS
CANADA-UNITED STATES RELATIONS

316.

H.C.G./Vol. 7

*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, January 9, 1961

Dear Howard [Green],

At noon today, I had quite a long talk – about forty-five minutes – with Dean Rusk. He had invited me over to his temporary office in the State Department and, of course, I accepted at once. He is a personal friend of many years' standing.

Rusk began by referring to your message to him of congratulations and good wishes and explained once more how it was, in the confusion between his two offices in New York and here, he had not made an earlier acknowledgement. I sent you by telegram today his personal message of appreciation and thanks.

Rusk said that he welcomed the opportunity of a private talk with me on Canadian-American affairs. I would, of course, understand that nothing that passed between us could be in any sense official; nor could we expect him at this stage to speak for the incoming Administration. These reservations I readily accepted.

Rusk then went on to speak of “the special relationship between Ottawa and Washington.” He wondered whether this could be maintained without arousing suspicion or resentment on the part of other close allies of the United States. It seemed to me that, while he personally accepted and favoured this relationship, he was raising the question of how it could best be maintained and developed without giving offence elsewhere.

In response, I referred Rusk to the long and respectable lineage of the Canada-U.S. partnership in, for example, joint defence and economic matters of mutual interest. I said that I had not myself encountered any difficulties with other allied representatives because of the informality and intimacy which was characteristic of our dealings with one another. Over the years a great deal of joint “machinery” had been built up for the conduct of our mutual affairs on many subjects and at various levels. This had not, in the past, attracted too much attention in other countries nor did I think that it was resented. Rather it was accepted, I thought, as a natural consequence of our continental and historic association.

In reply to Rusk’s next question as to the more important current matters of Canadian-American concern, I replied that these were in two main areas, defence and “economics.” Generally speaking, he would, in my judgment, be correct in assuming that our relations were fundamentally sound and friendly. The ties between our two countries were so numerous and so strong that any really serious divergence in major objectives was improbable. Each of our governments would certainly strive to prevent such an event. Nevertheless, within this generally satisfactory and, indeed, unique framework of friendship, there had developed, particularly in recent years, points of difference which had caused difficulty and which had given rise to misunderstandings and criticisms on both sides of the border.

Referring, first of all, to our economic relations, I went on, Rusk would be aware of some of the problems which presently confronted the Government and people of Canada in their dealings with their own internal situation and in their dealings with the United States. Our heavy recurrent trading deficits and the extent of U.S. acquisition of Canadian industry in recent years continued to be causes of serious concern in Canada.¹ In the face of an economic situation of some difficulty, the Government, as he might know, had recently adopted measures which affected American investors. Further measures were in contemplation, as U.S. officials were aware. From these policies, as well as in the normal course of trans-border trade, we were bound to encounter problems in which the points of view of the United States and Canada would differ. Fortunately, in this area of trade and payments, the objectives of policy in Ottawa and Washington were, in general, the same. Furthermore, there was active and continuing consultation between our two governments and these arrangements were, I thought, efficient and effective. In that connection, I described the joint Cabinet Committee on Economic Affairs; a relatively early meeting of this group would, I thought, be advisable as well as practicable, for he would find, I thought, that what the soldiers called the “staffing” of our problems in this area was good and up-to-date.

¹ Note marginale :/Marginal note:
Action in USA on balance of pay[men]ts [J.G. Diefenbaker]

In the defence field, I continued, the situation was different and, it seemed to me, a good deal more difficult and complex. While it was true that the relations between our armed services remained uniquely close, I would be less than frank if I did not tell him that there existed on our side misgivings as to some elements, or perhaps more accurately some manifestations, in U.S. policy. It was also probably true to say that, on the U.S. side, there were reservations and worries as to the Canadian attitude and perhaps some growing doubt of the wholeheartedness of our support. Basically, I thought that these difficulties between us had to do with the exceptionally complicated and critical questions of the control and use of nuclear weapons. Here, as Rusk would recognize, our problem was, in many ways, the same or similar to that of other allies of the United States. This was not the time or occasion to go into the matter further but I felt that he should know that there was difficulties in this area.

I then referred briefly to two or three current problems in which we were involved with the United States, the Laos crisis and U.S. policy on Cuba concerning which we continued to have serious reservations.

Last, but of the first importance in your list of priorities, was the problem of disarmament. Here I hoped that we could cooperate actively in pushing forward toward effective negotiations and without undue delay. In that connection, I expected to arrange for Burns to come down to Washington before long and meet those who would be bearing the principal U.S.A. responsibility in the months ahead. We would respond with a will to the constructive leadership for which we hoped from the U.S. and which only the U.S. could provide.

Taking up my reference to disarmament, Rusk said that he sometimes thought that it would be more effective if we were to expend greater effort on particular aspects or areas (he cited prevention of an arms race in Africa) and the solution of the political problems which gave rise to distrust rather than to concentrate wholly, and to the neglect of practical solutions, on the "main highway" toward general and complete disarmament. (I did not take this to be in any way an evidence of coolness toward disarmament negotiations – the early emphasis by the Democratic leadership on disarmament organization and the senior appointments connected with it now forecast belie any such conclusion – but rather a disposition on Rusk's part toward a pragmatic and practical working philosophy in this area.)

With reference to our mutual defence problems, I mentioned to Rusk the "meetings of consultation" which, over a number of years, had proved beneficial and expressed the hope that before too long such a gathering could be again convened. These meetings had the advantage of informality and frankness and provided opportunities for an exchange of views and a valuable basis for later consideration at the Cabinet level. I went on to refer to the joint Cabinet Committee on Defence which was another important mechanism for facilitating agreed solutions of our mutual affairs in this area.

Rusk observed that, apart from normal diplomatic contacts and those through the joint bodies I had mentioned, the fact that he and his son customarily went to Canada to fish might provide occasions for informal conversations with Canadian officials. I agreed that such opportunities would be suitable and welcome on our side. I added that, while it was obviously premature to propose any meeting in the immediate future between the Prime Minister and the President-elect, such informal meetings from time to time were in the tradition and very valuable. At some later stage, when the initial pressure of events was over, I felt sure that Mr. Diefenbaker would welcome an opportunity to talk privately with Mr. Kennedy.

Rusk then spoke of the careful consideration which was being given by the President-elect to his forthcoming diplomatic appointments. On this score, he pointed out that, whatever the rumours, they would remain entirely speculative and unconfirmed until after January 20th. Mr. Kennedy was quite firm on this. Further, we need not expect that important posts (such as Ottawa, he inferred) would be filled by "political hacks." No doubt I would have (rightly)

drawn the conclusion that the President-elect intended to play an active part in such appointments and in the conduct of U.S. foreign policy. We could look for strong leadership from the White House in this respect.

In our own case, Rusk reflected on the kind of person who would best fill the important responsibilities of Ambassador to Canada. I got no inkling as to who they may have in mind but believe that we may expect either a first-rate senior career officer of proven capacity, as was Livingston Merchant, or someone from outside the Service of standing and ability in whom the President has confidence.

I shall be able to tell you more of my talk when I see you in Ottawa later this month. All that I will add to this already long letter is that, in all he had to say to me today and in the manner of its saying, Rusk confirmed the opinion I already had of him as a man of unusual calibre and capacity as well as of strong personality and high character.

Yours sincerely,

ARNOLD HEENEY

317.

A.D.P.H./Vol. 1

*L'ambassadeur aux États-Unis
au premier ministre*

*Ambassador in United States
to Prime Minister*

PERSONAL AND CONFIDENTIAL.

Washington, November 3, 1961

Dear Prime Minister,

Yesterday my Military Attaché, Colonel H.W. Sterne, came to see me to report confidentially on a conversation he had had last Monday evening, October 30 (when I was in Ottawa), with the Military Aide to the President. The confidential memorandum which Sterne prepared as the basis of his report to me reads as follows:

“At a reception last evening, I had a conversation with Major General C.V. Clifton, Military Aide to the President. General Clifton spoke to me at some length on the desires of the President to maintain close personal links with the heads of other governments. He pointed out that the President is in frequent contact, either by telephone or personal letters, with Mr. Macmillan, Dr. Adenauer and General de Gaulle. He went on to say that until June of this year a similar relationship existed with Mr. Diefenbaker.

“Since that time the President has mentioned to General Clifton that for some reason this close personal contact with Mr. Diefenbaker has been allowed to slip. Gen. Clifton remarked that it may be that there is a tendency to take good relationships for granted but that he knows very well that the President is somewhat disturbed that Mr. Diefenbaker has not contacted him either by telephone or personal letter for some time. It was apparent that the President desires such contact, whether it be merely to say “hello” or to comment informally on points of mutual interest. In any event, he would like to re-establish their relationship because this is the way that he likes to work. Indeed, the President not only likes to have personal contacts with the heads of middle and great powers but also has a good deal of correspondence with the heads of the smaller countries.

“I asked Gen. Clifton if Mr. Kennedy had taken the initiative to resume personal contact and if it was now a case of the Prime Minister responding to him. General Clifton said that he did not know who had initiated the last conversation or private correspondence but that

he does know that the President feels the rapport which existed until last June should be re-established.

“In speaking to me of this matter it was quite clear that Gen. Clifton was fully aware that I would inform you of the gist of his remarks and I can only assume that this is also the wish of the President. I might add that Gen. Clifton was born in Canada and has a very warm feeling for the country of his birth. Accordingly, I know that he is extremely anxious to help to maintain the best possible relationships at all levels between our two countries.”

This was a curious incident and I am not sure how much weight should be attached to what Clifton said. Sterne, as you will note, assumes that the President intended or, at any rate, expected that what he had said to Clifton would be passed to me and by me, presumably, to you. In this, Sterne may be mistaken or Clifton may have misunderstood the President’s intention.

On the other hand, Clifton has a good reputation and is, I understand, a personal friend as well as a close official companion of the President. As you will note, he is Canadian-born and is proud of it. I have little doubt that his own wish would be to see the closest and most friendly of relations between the countries of his birth and adoption. And, this being so, it may have been that, in speaking as he did to Sterne, he went further than Mr. Kennedy intended.

In any event, I think you may take it confidently that the President did express himself to Clifton as wanting to continue and develop the informal and friendly association with you that began soon after Mr. Kennedy’s inauguration. Whether, in saying that there had been no personal communication between you in recent months, the President had in mind the embarrassment caused you in September by the unfortunate and clumsy “leak” (by the White House staff) of your private exchange at that time,² I cannot, of course, judge. But I would not think it unlikely. If so, it might be, I suppose, that Mr. Kennedy was taking this roundabout way to reassure you of his desire for the continuance of a personal relationship to which I feel sure he does attach a great importance.

Whatever the explanation of this curious incident, I felt you should be informed of it at once. While I would suppose that there would be no question of any response on your part, it does occur to me that you would wish to have it in mind when the next occasion arises for you to have personal communication with the President.

You may count wholly upon Sterne’s discretion in this matter. He is an excellent officer.

Yours sincerely,

A.D.P. HEENEY

² Voir/See *Newsweek*, September 25, 1961, p. 19.

3^e PARTIE/PART 3
VISITE DU PREMIER MINISTRE À WASHINGTON,
20 FÉVRIER 1961
PRIME MINISTER'S VISIT TO WASHINGTON,
FEBRUARY 20, 1961

318.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], February 21, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Agriculture (Mr. Alvin Hamilton),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Secretary of State (Mr. Dorion),
The Minister without Portfolio (Mr. Halpenny).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

REPORT ON DISCUSSIONS WITH PRESIDENT KENNEDY;
BUNKER FUEL NEEDED TO SHIP WHEAT TO CHINA;
CANADIAN SUBSIDIARIES OF U.S. COMPANIES

1. *The Prime Minister* said that he and Mr. Green would report more fully at another meeting of the Cabinet on the discussions held on the previous day in Washington with President Kennedy. The meeting had begun with a feeling of strangeness but had become most cordial. He had told the President, informally, that difficulties between the two countries would never arise if Mr. Kennedy followed the views he had expressed in a speech at the University of New Brunswick in 1957.³

³ Voir/See John F. Kennedy, *Good Fences Make Good Neighbours: Convocation, Tuesday, October 8th, 1957* (Fredericton: University of New Brunswick, 1960).

The shipping companies concerned with the movement of Canadian wheat to Red China had placed orders for bunker fuel with the Imperial Oil Company in Vancouver. That company had consulted its head office in the United States, and an application had been made to the Foreign Assets Control. During his visit to Washington he had learned that the F.A.C. was proposing to veto the supply of the fuel on the ground that such a transaction by a company with any directors from the U.S. would be contrary to U.S. law. He had informed President Kennedy that such a ruling would be unacceptable to Canada, and that the matter of Canadian sovereignty in questions of this kind had been resolved with President Eisenhower in 1958. Announcement of such a ruling would be certain to provoke a storm of protest in Canada.

The President had not at first appeared to realize the implications of the proposed ruling from the Canadian viewpoint. He had stated that the ruling would be entirely proper and that it was designed to contribute to the security of the U.S. He had stated that the U.S. directors of the oil company would be prosecuted if they approved the transaction. Subsequently, he had suggested that the shipping companies should obtain their oil from another company, but Mr. Diefenbaker had stated that the Canadian government would not interfere with contractual rights by designating companies that might supply the oil. Mr. Kennedy had then suggested that the Canadian government, or the Wheat Board, might apply for special exemption, but the Prime Minister had replied that Canada could not seek exemption from the application of a law which should not apply to Canadian companies in Canada. The President had stated that he would study the question further and would reply to the Prime Minister.

2. *The Minister of Agriculture* said later that the ships in Vancouver were still unable to obtain bunker fuel from the Imperial Oil Company for the transport of the grain to Red China. The problem applied to other aspects of trade with China, for example The Robin Hood Flour Mills Ltd. had been unable to sell flour to China.

3. *The Cabinet,*

(a) noted the statement of the Prime Minister on his discussion with President Kennedy on the previous day on the proposed sale of bunker fuel, by a Canadian subsidiary of a U.S. company, to shipping companies concerned with the movement of Canadian wheat to Red China; and,

(b) agreed that the Secretary of State for External Affairs and the Minister of Agriculture would discuss steps that should be taken to ensure that Canadian sovereignty was not infringed in the making of arrangements for the sale of grain to Red China.⁴

...

⁴ Voir aussi les documents 334 et 336./See also documents 334 and 336.

319.

H.C.G./Vol. 7

*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 SECRET.

Washington, February 23, 1961

Dear Howard [Green],

I am enclosing a copy of the notes I made upon the White House conversations on Monday. I think they touch on all the main subjects discussed. You will note that they are arranged "topically" and not chronologically.

Yours sincerely,

ARNOLD [HEENEY]

[PIÈCE JOINTE/ENCLOSURE]

*Notes de l'ambassadeur aux États-Unis
Notes by Ambassador in United States*

SECRET

Washington, February 21, 1961

CONVERSATIONS BETWEEN THE PRESIDENT OF THE UNITED STATES
AND THE PRIME MINISTER OF CANADA, THE WHITE HOUSE,
WASHINGTON, FEBRUARY 20, 1961

The meeting today between President Kennedy and Prime Minister Diefenbaker began at twelve noon in the President's office in the West Wing. The talks continued through lunch in the Family Dining Room until about 2:45 p.m., when Mr. Kennedy accompanied Mr. Diefenbaker to the President's office and farewells were made.

The participants were:

United States

- The President
- The Secretary of State (Mr. Rusk)
- The United States Ambassador to Canada (Mr. Merchant)

Canada

- The Prime Minister
- The Secretary of State for External Affairs (Mr. Green)
- The Canadian Ambassador to the United States (Mr. Heeneey).

There was no agenda and from time to time the principals reverted to matters previously raised. The following notes mention the main subjects raised in topical rather than strict chronological sequence.

Canada-United States Relations: General

The *President* opened the conversation by referring to the importance of close and continuing contact between United States' and Canadian authorities and to the great value he attached to relations of mutual confidence between the two countries which had so many common interests. He welcomed this early opportunity of informal conversations and exchange of views with Mr. Diefenbaker.

The *Prime Minister* expressed full agreement with the sentiments expressed by Mr. Kennedy. Good relations between the two countries were absolutely essential. This was why he had come down to Washington and why he too welcomed the opportunity of informal friendly discussion over the wide range of Canada-U.S. interests.

Such general expressions of view on both sides were reaffirmed later in the course of the conversations as particular questions came up in discussion. In fact, there was full agreement that geographical proximity, mutual economic involvement, joint defence interests and similar external aims rendered essential the closest of relationships between the two governments.

Africa: the Congo; South Africa

The *Prime Minister* enquired concerning the current United States' appreciation of the situation in the Congo. Canada had a particular concern because of her military contribution (and her membership in the United Nations Advisory Committee). Further, within a fortnight, he would have to take a position at the meeting of Commonwealth in its new constitutional guise of republic of the Union of South Africa. In this connection, it was to be borne in mind that the non-white members around the table now numbered six. Developments in the Congo had exacerbated the problem of South Africa and the Canadian stand would be of importance to the Commonwealth's future and to the relations of the West with African countries. How did the United States see the present crisis in the Congo developing?

The *Secretary of State* described the two phases of the Congo crisis – first, the internal situation, where the first problem was to restore order and establish a satisfactory basis for settled government and, second, the external political and parliamentary situation in the United Nations. Events within the Congo tended to upset negotiations between governments and in the United Nations. For example, the now reported killing of seven Lumumbist prisoners, just when it was hoped to agree upon an amended resolution in the Security Council where the United States were supporting the U.N. and the Secretariat, could well upset these delicate negotiations. The situation was very anxious and it was difficult to foresee the outcome.

Mr. Kennedy, at a later stage, wondered whether it would not be possible to have the African nations themselves take on more responsibility for African affairs, possibly through "an African O.A.S." In present circumstances, the United States was involved in every difficult situation and tended to be blamed by all sides.

There was no conclusion reached or sought on these aspects of the African situation which was recognized as being one of great difficulty and danger.

Laos

The *Secretary of State*, at the Prime Minister's request, described the current position as appreciated by the United States, in particular concerning the proposals for a neutral nations' commission and for the return of the International Supervisory Commission. It remained to be seen which of these courses would afford the best avenue for achieving a genuinely neutral zone in Laos which was the objective of present United States policy. Perhaps the two proposals would tend to merge. The United States did not feel that an international conference would be helpful, at any rate at this stage. On the whole, the State Department was inclined to think that the neutral nations' commission would be more likely to be productive, having in mind the unhappy Canadian experience with the I.C.C. in Laos and currently in Vietnam.

Here again, there was no attempt to reach any conclusion but there seemed to be general agreement as to the objectives of policy in respect to the neutralization of Laos. All agreed that a good deal would depend upon the attitude of India and, of course, upon the genuineness of the Soviet desire to eliminate Laos from the area of conflict.

Communist China: Recognition and U.N. Membership; Trade

The *Prime Minister* enquired whether there had been any recent change in the U.S. attitude toward Communist China.

The *President* replied that his Administration had been hoping that, through the exchange of journalists, possibly by the easing of some trade restrictions and other means (he referred to the association of Communist China with nuclear test negotiations), tensions might gradually be lessened and a tolerable relationship brought about between the United States and mainland China. But Peking had shown no disposition to move toward any easing of the present situation. Indeed the Chinese Communists continued their propagandistic attacks, persisted in their rejection of any suggestion of a two-China solution and gave no encouragement to an improvement of relations.

The *Secretary of State* noted that thirty U.S. journalists had been given permission to visit mainland China but Peking had granted only one visa. The Chinese authorities had also brusquely rejected an offer by the U.S. Society of Friends to provide food for the Chinese population.

Mr. Kennedy said that he himself had been “anxious to do better” with Communist China but the Peking government persisted in their “deep belligerency.” This was a very obstinate problem, one particularly difficult feature of which was the future of Formosa.

Mr. Diefenbaker agreed about the difficulties of recognition and upon the intransigence of the Chinese Communist authorities. In that connection, he mentioned the opening in Peking of a bureau of a Canadian paper (which had actively campaigned for Canadian recognition) and its abrupt closing down by Communist authorities.

With respect to trade, Canadian policy was to do business with Communist nations but not in strategic goods.

Shipment of Canadian Wheat to China; Bunker Oil at Vancouver

The *Prime Minister* said the President would be aware of a recent substantial sale of Canadian wheat. Here, a serious difficulty had come to his attention concerning provision of oil bunkers at Vancouver for the vessels in which the wheat was to be shipped. A request for supply had been made of Imperial Oil which was a Canadian company controlled in the United States. The U.S. parent company (Standard Oil of New Jersey) had then enquired of the U.S. Foreign Assets Control authorities whether in such circumstances provision of fuel, by Imperial, would contravene U.S. law. The President would understand that, if there were any attempt by U.S. authorities to interfere with such a transaction which, irrespective of U.S. equity ownership or control, involved a Canadian company and a Canadian product, there would be a great outcry in Canada. A similar situation had developed some years ago when the Ford Company had intervened with Ford of Canada to prevent the possibility of any sale of trucks to the Communist Chinese.⁵

The *President* said that he had recently gone into this problem. *Mr. Diefenbaker* would appreciate the fact that there was great sensitivity on the subject in the United States – as well as in Canada. Nevertheless, there should be some means of avoiding embarrassment on both sides.

⁵ Voir/See Volume 25, documents 463, 464.

Would the Canadian government request an exemption from the U.S. authorities, in which event it would be granted? Alternatively, was there some Canadian-owned supplier which could provide the bunkers? *Mr. Diefenbaker* said that neither of these expedients would meet the case as they would imply acceptance of the U.S. right to interfere with a purely Canadian transaction.

Mr. Kennedy responded that he would have the matter looked into further during the lunch period to see what procedure might be worked out. After lunch the President received a memorandum (through *Mr. Dutton*, Special Assistant to the President) from the Treasury.

After further discussion with the Prime Minister, *Mr. Kennedy* then suggested that *Mr. Diefenbaker* consider having Canadian authorities intimate to the Canadian company that they hoped and expected that the company would fill the order on the understanding that the White House would ensure that U.S. authorities would not seek to impose sanctions under U.S. law against U.S. owners or officers of the company.

Mr. Diefenbaker said that he would wish to consider this proposal further for he was uncertain as to the propriety of the Canadian government making such a request to the company. He made it quite clear once more that any intervention by U.S. agencies to prevent the sale of a Canadian product by a Canadian company would provoke very serious public reactions in Canada.

It was agreed that officials of the two governments would follow the matter up with a view to working out a solution and enabling the provision of the required bunker oil to be made.

Canadian Trade with Cuba

The *Prime Minister* said that he was glad of the opportunity to explain Canadian policy with regard to trade with Cuba. While Canada had not embargoed exports as had the United States, strategic goods were not permitted. Further, U.S. goods were not allowed to be transhipped to Cuba through Canada. Canadian policy (which he had explained fully to President Eisenhower) had not in fact resulted in any important expansion of Canadian exports; indeed, recent figures showed them to be substantially below the levels of permitted U.S. exports under the embargo. This situation was not well understood in the United States.

Canada-U.S. Balance of Payments; U.S. Investment in Canada

The *Prime Minister* referred to Canada's consistently large adverse balance of trade with the United States in recent years. The Canadian government had had to take certain measures to help in reversing this situation and to move current payments toward greater equilibrium. The U.S. government should understand and appreciate the Canadian difficulty, in view particularly of the current position of the United States. The measures taken by Canada were in no sense anti-American but necessary for the protection of Canadian interests and Canadian independence of action. U.S. investment had been welcomed in Canada but it was unsatisfactory for Canada to rely upon a large inflow of U.S. capital funds to balance the national accounts. Indeed the extent to which Canadian industry was owned in the United States, particularly in key undertakings such as oil, gas, minerals and manufacturing, was causing a great deal of concern among Canadians.

Mr. Diefenbaker said that he had been much impressed by the emphasis which the President had given in his messages to the Congress to the expansion of trade, to the OECD and to liberal commercial policies.⁶ The Canadian Government, like the United States Government, were subject to great protectionist pressures. Low-priced imports, in particular from Japan and

⁶ Voir/See Public Papers of the Presidents of the United States: John F. Kennedy, Containing the Public Messages, Speeches, and Statements of the President, January 20-December 31, 1961 (Washington: United States Government Printing Office, 1962), documents 17, 23.

Hong Kong, were causing great difficulties for domestic producers and, with persistent and rising unemployment, these pressures were difficult to resist. It was, however, the Government's hope that Canada would be able to effect increases in industrial production and alleviate the anxious unemployment situation without resort to measures contrary to its obligation under the GATT.

Mr. Kennedy expressed appreciation of the Canadian balance of payments position as outlined by the Prime Minister and expressed the opinion that, apart from particular cases, the whole problem of U.S. subsidiaries in Canada should be looked into carefully. He was fully sympathetic with what Mr. Diefenbaker had said about protectionist pressures, of which he had a good deal of experience himself. He had recently set up a Cabinet Committee to look into the question of low-price textile imports into the United States.

Canada-United States Defence Production

The *Prime Minister* said that the United States could be of material assistance in the current Canadian situation and add to the general strength of the two countries by allocating larger defence production to Canadian manufacturers. In that connection, he greatly appreciated the current effort being made by the Department of Defense as evidenced by the suggestion which had been put forward (within the last few days) for the production in a Canadian plant of fighters for allied countries (F104Gs). The figures in the joint defence production programme had been running in the last two years about three to two in favour of the United States. The Canadian Government wished to cooperate in every way with the United States in joint defence matters and a more equitable sharing of defence manufactures would facilitate such cooperation.

The *President* expressed satisfaction that the suggestion by the Defense Department with regard to sharing the F104G programme was favourably regarded by Canadian authorities.

Invitation to the President to Visit Canada

The *Prime Minister* said that he wished to extend a warm invitation to the President to visit Canada and, if that were possible, for him to address a joint session of the two Houses before Parliament rose, probably by the end of June. Such an occasion would do a great deal to strengthen Canada-United States relations. The President would be seen on Canadian television and heard on Canadian radio throughout the country as well as, of course, in the United States. Nothing could give greater assurance of the friendship between the two nations as a visit by Mr. Kennedy in the early months of his Administration. If the Prime Minister could announce in the House of Commons that evening the President's acceptance (without, of course, mentioning any date), this would be very helpful.

The *President* expressed appreciation of Mr. Diefenbaker's invitation and said at once that he would like to accept and go to Canada at a time which would be mutually convenient. He thought it should be possible for him to do so sometime in June. He would, in any case, be agreeable to Mr. Diefenbaker announcing his acceptance in Parliament.

It was agreed, accordingly, that the Prime Minister should state in the House of Commons that evening that the President had accepted an invitation to visit Canada and to address a joint session of Parliament if a mutually convenient date could be arranged before the conclusion of the current session.

Canada-U.S. Defence Relationships

The *Prime Minister* mentioned reports of a speech which he had made in Port Arthur (on February 18) touching upon Canadian defence policy. What he had said had been wrongly reported in the Canadian press. This morning's *Washington Post*, however, had carried an accurate account making reference to his emphasis upon the importance of the Canada-United

States partnership. He had criticized those in Canada who would reduce Canadian participation in continental defence to mere “bird-watching.” Such a role would not mean more independence for Canada but subservience and reliance upon the United States.

“We will not,” *Mr. Diefenbaker* continued, “accept a policy which will lay upon the United States a responsibility which we should carry ourselves.” He wanted the President to understand the Canadian Government’s position in this which in turn was dependent upon the actions of the United States in cooperating with Canada in, for example, the sharing of defence production.

The *President* expressed appreciation of the position as outlined by the Prime Minister in this very important area of relationship between the two countries.

Canadian Policy with Respect to Nuclear Weapons

The *Prime Minister* explained the Canadian Government’s position with regard to nuclear weapons. As yet, no decision had been taken upon the equipping of Canadian forces nor concerning storage at Canadian bases (Goose, Harmon and Argentia). As the President would be aware, the Canadian Government had laid great emphasis upon disarmament and Canadian representatives had been active in efforts to move forward in negotiations. Decisions with respect to nuclear weapons would depend upon what progress were made. Canadian authorities were conscious of the danger involved in further dissemination of nuclear capacity and would not wish to encourage or accelerate this process. Nevertheless, the Canadian Government wished to be ready to take action promptly when the need arose.

For these reasons, *Mr. Diefenbaker* continued, he proposed that detailed arrangements between the two governments on all aspects of our relations in this field should be worked out and embodied in an agreement (or agreements) ready for immediate execution when conditions made it necessary. Such an agreement (or agreements) would have to be based on joint Canada-U.S. control over custody and use, that was to say the Canadian Government would have to insist upon its right to decide (with the United States) how and when such weapons would be employed.

The *President* expressed appreciation of the position of the Canadian Government in this matter as explained by *Mr. Diefenbaker*. Possibly the formula employed in arrangements with the United Kingdom (the “double key”) would provide a useful pattern.

It was agreed that officials on the two sides would work out together a draft detailed agreement (or agreements) for storage, use and control of nuclear weapons in Canada on the basis described by the Prime Minister; such agreement(s) to be submitted to the two governments and to be ready to be put into effect if and when decision were taken by the Canadian Government.

Disarmament

The *Prime Minister* mentioned the importance which the Canadian Government attached to pressing forward with disarmament discussions in spite of the very difficult problems in the way of satisfactory agreement. The Secretary of State for External Affairs had been especially active in this field in the United Nations and elsewhere. Canadians continued to hope that realistic progress could be made.

The *President* then spoke of his own interest in disarmament and the action being taken by his Administration to strengthen the U.S.A. effort – first of all, in its own organization. It was expected that within the next day or two the appointment of an official to head U.S. organization on general disarmament (as *Mr. Arthur Dean* did on the nuclear tests negotiations) would be announced; both to operate under the general supervision of *Mr. McCloy*. The U.S. Administration had decided to give first priority to the nuclear test

negotiations but also to intensify their examination of problems of general disarmament as well. In what area did Mr. Green think that some progress might be made?

The *Secretary of State for External Affairs* then described the course which had been followed by the Canadian Delegation at the United Nations after the collapse of the Ten-Nation negotiations. The objective of the Canadian resolution had been to get negotiations started again and to provide a mechanism for bringing to bear the views and ideas of other powers. It remained to be seen what course would be best when the Assembly resumed.

As to particular areas where some progress might be made – and the Canadian Government favoured a stage-by-stage approach – *Mr. Green* thought that there were a number where the Western and Soviet bloc views were not far apart – possibly the limitation of conventional arms was one department in which something positive might be done.

Meeting of NATO Heads of Government

The *Prime Minister* enquired what the President thought of the wisdom of convening a meeting of the Heads of NATO Governments. In his own view, such a meeting was desirable though the timing was important. It was understood that it could not be managed at the spring meeting of Foreign Ministers at Oslo but he thought that attention should be given to the possibility later on.

The *President* did not feel that an early meeting of Heads of Government would be productive. It would be necessary to prepare well in advance so that when the Heads of Government came together they would be in a position to have profitable discussions and reach decisions. At such a stage, a meeting would, in his judgment, be valuable.

Economic Situation; Canada and the United States

The *Prime Minister* made reference to the part played by farm organizations in the development of the ground work for Government agricultural policies. He had been interested to learn of the President's interest and activity in the development of the Food for Peace programme. He had himself been long interested in the idea of a NATO food bank. Our arrangements for consultation on disposal of wheat surpluses were proving helpful.

Mr. Diefenbaker, in answer to an enquiry from the President, described the current and prospective situation in Canada, making reference to the increased unemployment which was causing grave concern and to measures which the Government were taking. In that connection, he had noted with interest the eight-point programme sent to Congress by Mr. Kennedy; action along six of these lines had been taken in Canada but the problem was stubborn and could not be solved solely by Government action. His economic advisers were by no means agreed in the advice which they gave concerning the policies best calculated to meet the situation.

The *President* referred to programmes proposed to Congress by his Administration and to the division of opinion in the United States as to the right line of action. For example, a tax-cut was recommended by some economists but Congressional opposition would prevent such a course. In his judgment, U.S. opinion in such matters was no longer emphatically either liberal or conservative; the public temper was one of moderation and it was within this framework that Government policies had to be designed.

Canada-U.S. Committee on Trade and Economic Affairs; Next Meeting

The *President* and the *Prime Minister* noted with satisfaction that a meeting of this joint Cabinet committee had been arranged for March 13 in Washington.

Canadian Legislation Requiring "Disclosure" by Foreign Entities

The *Prime Minister* made reference to legislation which the Government had just introduced in Parliament to require disclosure of the affairs of business corporations and labour unions whose headquarters were outside Canada. This would be resented in a number of quarters but was necessary in order to reassure public opinion concerning "foreign operations."

Communiqué

The President and the Prime Minister approved for release at once a draft communiqué which had been prepared by officials.⁷

A.D.P. H[EENEY]

4^e PARTIE/PART 4VISITE DU PRÉSIDENT JOHN F. KENNEDY À OTTAWA,
16 AU 18 MAI 1961VISIT OF PRESIDENT JOHN F. KENNEDY TO OTTAWA,
MAY 16-18, 1961

320.

DEA/1415-N-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 1473

Washington, May 8, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel X-49 May 4. †

Repeat for Information: PCO (Bryce) Ottawa, PM Office (Robinson) (OpImmediate) from Ottawa.

VISIT OF PRESIDENT KENNEDY; MEETINGS WITH PRIME MINISTER

In attempting any outline of the subjects which the Prime Minister and the President may wish to discuss (and any "briefing" for Mr. Diefenbaker), it seems to me important, particularly as the time available is not repeat not long, that we should focus on the subjects of primary importance to the two countries. This would no repeat no doubt include certain bilateral questions of current concern but I would hope that the papers prepared for the two principals would deal chiefly with the larger multilateral problems.

2. Presumably the first part of their talk would have to do with various aspects of the current world situation. The Prime Minister and the President would no repeat no doubt wish to exchange views on Soviet intentions and East-West relations in various sectors and on particular issues. They might then progress naturally, I suppose, to consider particular areas or situations where Canada and USA are both involved or concerned and which present or could

⁷ Voir "Joint Communiqué," *Globe and Mail*, February 21, 1961, p. 9. Pour le compte-rendu de la réunion établi par les États-Unis, voir *Foreign Relations of the United States, 1961-1963*, Vol. XIII (Washington: United States Government Printing Office, 1944), document 418.

See "Joint Communiqué," *Globe and Mail*, February 21, 1961, p. 9. For the American record of the meeting, see *Foreign Relations of the United States, 1961-1963*, Vol. XIII (Washington: United States Government Printing Office, 1944), document 418.

present a threat to peace and security. After such a wider ranging discussion, they might go on to deal with any bilateral issues of especial importance or urgency.

3. This approach would seem to me to suggest, after reference to the general exchange referred to above, some such outline as follows:

(a) *Southeast Asia, Particularly Laos and also Vietnam.* On present plans the Geneva Conference on Laos will have just begun. It would therefore seem to be valuable at that stage to have the two Heads of Government consider together the short and long term prospects for the area and the respective roles of Canada as a member of the ICSC, and USA as a member of SEATO and policies which might conduce to stability and independence. In this context there would naturally be some discussion of relations with Communist China.

(b) *Latin America, Including Developments in Cuba.* While the continuing Cuban crisis focuses attention on this one country and views would no repeat no doubt be exchanged on this problem, I would hope and expect that this would lead to a comprehensive exchange of views on the more general and positive aspects of relations in the whole western hemisphere, economic as well as political. The President can surely be counted upon to develop his ideas on the "Alliance for Progress" and an exchange of views in this area to which both governments are giving new and emphatic attention could, I think, be very valuable. The OAS could be discussed in this context.

(c) *Europe, Including the Problem of Berlin and Germany.* I feel reasonably sure that these problems will be very much in the President's mind. The meeting could therefore provide a timely occasion for exploring the prospects and means for dealing with them. Our interest in being kept abreast of contingency planning arrangements might be stressed. Such a discussion would, as I see it, involve the future of NATO, including the defence position and means of strengthening the political and economic life of the Atlantic community.

(d) *Africa, Including the Congo.* Here the role of the UN could be examined and the Prime Minister would no repeat no doubt refer to the Commonwealth.

4. Each of these subjects would lead logically into consideration of existing regional or international peace keeping machinery and the various organizations in which the two governments share membership and responsibility.

5. Such a general review would also provide opportunity and occasion for discussion of outstanding UN problems, e.g. the prospects for disarmament negotiations, the future of UN and the role of the Secretary-General.

6. As to Canada-USA bilateral questions, I should expect that our current and planned defence arrangements might profitably be discussed. Here the so-called "swap" deal might usefully be given a push (depending on how far negotiations have proceeded in Ottawa in advance of the visit). Much more complex and delicate, of course, is our relationship in respect of nuclear weapons and the various aspects of this problem which have been under discussion between the two governments for some time.

7. Finally it is to be anticipated that the President and the Prime Minister will wish to discuss major bilateral and multilateral economic and trade matters. Your message lists a number of particular topics of current interest. My own view is that this portion of the discussion will be fruitful to the extent to which care is taken to limit the items to matters of primary importance and that the temptation to have current bilateral questions dealt with at the summit is resisted.

8. In addition to the important economic aspects of subjects referred to in earlier paragraphs of this message (e.g. paragraph 3), the following seem to us to be the most important headings in economic and trade policy:

(a) *Economic Development.* This ranks very high in the current thinking of USA Administration. In terms of external economic aid, the India and Pakistan consortia are of

immediate and particular interest. The new USA initiative for an international solution of the textile problem might also be raised in this context. Again, closely related is the general problem of commodity trade and, in particular, the possibility of the USA joining with other industrialized countries in moving towards the freeing of trade in tropical products and basic materials. The food bank proposal and its relationship to USA Food for Peace programme might also be discussed against this background.

(b) *European Integration*. USA has now made it clear that it would favour the full integration of UK into the European Economic Community. But it has also indicated it would not repeat not support all substantial derogations from the Rome Treaty to facilitate such a move. It seems to us that it would be most desirable to impress on the President the fundamental importance of the policy issues that are here involved for Canada (and other Commonwealth countries).

(c) *USA Trade Agreements Legislation*. The President will in coming months have to address himself to the renewal next year of USA Trade Agreements Legislation, which will set the pattern and direction of USA commercial policy. The Administration will be under increasing pressure from protectionist interests. I feel it is not repeat not too early to emphasize the great importance to the whole free world of the Administration obtaining broad and unhampered authority in the trade field.

9. As to bilateral questions, these might perhaps be limited to the following two:

(a) *Oil Bunkering Problem*. I would hope that this could be put in the context of the more general issue of the extraterritorial effects of USA legislation.

(b) *USA Barter Proposals*. The immediate issue provides a further opportunity for a general discussion of USA surplus disposal policies. The Administration is currently reviewing its policy and it would, therefore, be timely to reiterate the seriousness of Canadian concerns.

10. I have not repeat not attempted to recast the items in the form of a revised agenda. This can be done much better in Ottawa and you will no repeat no doubt wish to do it in consultation with Bryce and Robinson.

11. If anything further of relevance develops in our talks with USA officials who are involved in advising the President on discussions in Ottawa, we will, of course, let you know.

[A.D.P.] HEENEY

321.

DEA/1415-N-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 1552

Washington, May 13, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: London, NATO Paris, Paris, Permis New York (Priority), Bonn (Priority) from Ottawa.

By Bag Moscow, Cairo, Delhi, Rome, Copenhagen, Brussels, Hague, Oslo, Karachi, Kuala Lumpur, Colombo, Jakarta, Prague, Belgrade, Warsaw from London, Rio from Ottawa.

USA FOREIGN POLICY

In view of President Kennedy's visit to Ottawa you may wish to have a tentative assessment of the Administration record to date in office viewed from this perspective. Four months in

office scarcely provide a fair test of the capacity of the new Administration for the long term pull, but some trends are already evident.

2. The present Administration moved into office on the basis of a narrow majority after a campaign which centred on USA world position and on whether the Republicans or the Democrats could best provide the necessary leadership to maintain and strengthen it. Domestic issues were assessed largely in this wider context. (President Kennedy's performance in the domestic† and foreign economic fields will be the subject of separate telegrams.)

3. The basis of any assessment at this stage must, of course, be directed mainly to the kind of leadership the President has sought to provide. There can be little doubt that the President's accomplishments so far have surpassed expectations which, because of campaign criticisms of his youth and inexperience, were probably set lower by many people than might have been the case with an older and more established personality. Despite setbacks in both the foreign and domestic fields, including the recent Cuban fiasco, the President's personal position remains strong and commands wide support.

4. There are several factors in this initially successful approach to the problem of leadership: the impact of the President's personality and conduct of policy; the stature of and sense of conviction imparted by the President's principal foreign affairs and defence advisers; the confidence and enthusiasm which the top echelon has induced in the lower ranks of the Administration, the press, and the public; and finally, the impression of USA created abroad.

5. On the whole, the President has been praised for the selection of his Cabinet and other principal foreign affairs and defence advisers. There has been a good deal of public amusement at the number of them chosen from academic life (and, in particular, from the President's own university). But the retention of important figures from the previous Administration (Douglas Dillon and Allen Dulles), recourse to reputable figures in the democratic pantheon (Adlai Stevenson, Chester Bowles, Averill Harriman and Dean Acheson) and resort to former officials of known merit (Dean Rusk and Alexis Johnson, John McCloy, A. Berle) have done much to inspire confidence in the seriousness of the President's intentions. Apart from one or two "family appointments," many of the leading figures selected were generally believed not to have had more than casual previous contact with the President, and their appointments have been accepted as evidence of the President's concern to base his choice on merit.

Public Service

6. While there are some misgivings on the part of the "old hands" at certain changes at the Assistant Secretary level in the State Department, on the whole the effect of the new Administration on the ranks of the professional public service in the foreign policy and defence fields has been stimulating. No repeat no doubt the foreign affairs experts (and others, no repeat no doubt) have been critical of the number of "task forces" – on Latin America, on NATO, Defence etc. – appointed by the White House, and the Pentagon has presumably found irksome the Presidential strictures on their public utterances on defence and other questions. But there is ample evidence that they find gratifying and inspiring the close and detailed interest being displayed by the new leadership in their endeavours. Of particular importance perhaps are the emphasis on initiative and originality in the public service, and the President's desire to keep in close touch with all sectors of his Administration. Though some of the increased activity may hinge on the mere fact of a change in Administration rather than its character, enthusiasm in the departments concerned is general and not repeat not restricted along partisan lines. The relationship between the State Department and the White House advisers has not repeat not yet fully evolved.

Public Impact

7. In the Congress, and in the Foreign Relations and Defence Committees particularly, there remains a strong concern for the prerogatives of the Legislative Branch. In principle, however, the temper of Congress seems to have been to let the President have full rein until he has had time to look at the problems. The Presidential nominations in the foreign and defence fields have been largely approved without serious reservations, although Senator Fulbright has continued to assert his independence. Reaffirmation by the Administration of traditional tenets of USA foreign policy has had a reassuring effect, and there has been relatively little criticism voiced over specific policy issues that have arisen (Laos, anti-colonialism, Congo, etc.). Even the recent Cuba operation seems to have drawn mostly proforma complaints so far except from the extreme right wing who believe the Administration should adopt even stronger measures. It is probably safe to say, therefore, that Congress, and, especially the Senate, has formed a good initial impression of the new order.

8. In contrast, the press has virtually, except for die-hard partisan publications, embraced the new Administration – and this despite the early announcement by Secretary Rusk that the provision of inside information on foreign and defence questions would be strictly balanced against the requirement of “quiet diplomacy.” (In practice, it is doubtful whether there has been any great reduction in the scale of information made available and presidential and Administration news conferences are almost bewilderingly frequent.) The President has, of course, benefited considerably from the self-imposed moratorium on a host of foreign and defence policy issues: the decisions on many crucial issues are not repeat not yet available for comment. On the other hand, a hard-boiled and energetic press corps could have long since chosen not repeat not to accord a respite if it had wished. Also, it is only fair to add that the reporters by and large favoured the Kennedy ticket in last autumn’s campaign, and have not repeat not yet, apparently, seen any reason to change their views. On most foreign policy issues, they have been distinctly more explicit than even the Administration could have been expected to be, in drawing attention to the enormity of the problems facing it.

9. The public at large, like their more experienced compatriots in Congress and the newspaper world, gives the President strong support. The election campaign had conditioned them to expect a diet of reverses and a continued slump in prestige in any event, so that for USA to avoid any significant defeats throughout the Fifteenth UNGA and to get a man into space, even though after the Russians, have appeared as fair accomplishments. Cuba is a critical problem, and may prove to be even more so as the current post-mortem on the “invasion” proceeds, but the President seems to have kept his mind on the central problems of East-West relations, and to have done a reasonable job of putting the Cuban issue and other problem areas like Laos into perspective.

Impressions Abroad

10. Concurrently with Administration efforts to enlighten the public on these thorny issues, there has been an impressive flow of distinguished foreign visitors which enhances the general impression that the Administration is pursuing an active foreign policy. Particularly at this early stage and from this observation post, it is difficult to draw any definitive conclusions as to how effectively the new Administration has projected abroad a new and better “image” of USA. However, the reactions to President Kennedy of some of the distinguished foreign visitors mentioned above provide some indication that the initial impressions formed of the new President have been generally good and, in some important cases, even enthusiastic. Of the latter, it would seem, for instance, that Prime Minister Macmillan and Chancellor Adenauer, despite the disparity in the President’s age and theirs, were impressed with his grasp of affairs and his judgment. Even such potential critics as the Presidents of Ghana and Indonesia have, according to USA official sources at any rate, formed the same impressions. It

is almost impossible to say what the Soviet Foreign Minister thought of the President at their March 28 meeting, although the indications are, particularly after Cuba, that Soviet authorities now realize that the change in Administration did not repeat not mean a radical shift in the direction of USA policy.

11. Personal impressions are no repeat no doubt particularly important in an age of direct diplomacy. The new President seems to be keeping his average up, not repeat not only in personally receiving visitors from abroad, but in sending USA special emissaries to foreign parts. Secretary Rusk's visit to New Delhi (as well as to SEATO, CENTO, and NATO) Dean Acheson's European tour, Ambassador Harriman's tours of Western European and Asian countries, Assistant Secretary Williams' African and Ambassador Berle's South American trips, and Vice-President Johnson's Asian tour leave no repeat no doubt as to the Administration's determination to set a fast pace.

Attitudes of Administration in Foreign Policy

12. In the end, however, it is going to be substantive positions on foreign policy and defence issues that determine the reaction abroad to President Kennedy's stewardship. So far – and we would stress the necessarily tentative nature of any assessment at this stage – the new Administration seems to be in the process of attempting to reconcile a number of conflicting objectives in these fields.

(a) Perhaps most obvious is the contrast between the Administration's espousal of a neutralist solution to the Laotian problem and its concerted efforts to extract commitments from the Latin American states to support USA opposition to Castro's Cuba and to re-establish the Monroe doctrine.

(b) A conflict of interest also appears in USA relations with its North Atlantic Allies and with the Afro-Asian uncommitted countries, especially those in Africa. The Administration on the one hand has strongly re-affirmed support for NATO; for European economic and political integration; and for greater NATO consultation, especially in relation to non-NATO areas. It has offered significant USA strategic forces to NATO as an earnest of USA steadfast concern for European security. On the other hand, and particularly at the UN under Ambassador Stevenson's imprint, there has been an intense effort to renew the historical identification of USA with the spirit of freedom, independence and nationalism. The conflict here is perhaps less in the minds of USA leaders and more in those of European Allies, especially Portugal over the Angola issue, and Belgium and the Netherlands over the Congo and West New Guinea respectively. Nevertheless it is clear that the impatient idealism of the New World, as expounded by the present Administration, will continue to pose a problem for the harmony of the Alliance.

(c) To some extent associated with the foregoing, involving a strong USA antipathy towards colonial economics, is the pressure of USA on its allies to expand their contribution to the task of extending aid to the less-developed areas of the world.

(d) Relations with the Communist World and the USSR in particular also exhibit an unresolved dichotomy of approach. On the one hand the initial emphasis of the Administration in its approach to the Communists was on quiet peaceful negotiation and the avoidance of cold-war terms of exchange. The persistent plea was for orderly discussion of outstanding issues, in accordance with the norms of international conduct. Verbally at least there has been no repeat no slackening in the expression of USA desire for such developments. Latterly, however, the attention of Administration spokesmen, including the President himself, has been increasingly directed to the fact that behind a façade of international legality the Communist World is continuing and increasing its subversive and violent means of encroachment on the Free World. The problem is most clearly posed, for the Administration, in the situations in Laos and Vietnam, and perhaps also in Iran. The current negotiations in Geneva on Laos are

accordingly being approached by the Administration with considerable suspicion and scepticism, but there has been no repeat no alternative yet expounded. Nevertheless there is increasing discussion of the need to fashion new methods to cope with Communist infiltration and subversion.

(e) In the realm of defence and disarmament also, two principles seem to have been at work, although their reconciliation is fortunately fairly well advanced. Internally the Administration has increased its efforts in the direction of a better balance between conventional and nuclear military strength. In NATO the Allies have been urged to meet at least agreed quantitative levels of conventional forces, and to devote increased resources to achieving high qualitative standards, in order to enforce a pause on aggressors and to raise the threshold of nuclear engagement. There is also continuing concern to prevent the spread of nuclear weapons under the autonomous control of nth countries, e.g. France, Germany, China. On the other hand, internally the Administration has increased the pace of the missile programme and has re-question this year \$1,800,000,000 more to the development and defense of the nuclear deterrent.

In relation to disarmament there has been agreement to reopen negotiations on general disarmament at the end of July and to discuss bilaterally with USSR in June and July certain procedural questions; there has also been the remarkably restrained USA response to the evidence of Soviet intransigence in the Geneva test ban talks notwithstanding its own willingness to make important concessions. At the same time there are growing indications that the Administration is becoming disillusioned with the processes of negotiation as exploited by the Soviet representatives. Where these seemingly divergent channels may lead ultimately is unclear, but for the moment, as was made specific for instance in the Laotian context, the Administration seems prepared to follow parallel courses of military preparedness and negotiated settlements. At least there has been no repeat no abandonment of political methods in favour of a pure "positions of strength" policy.

13. In other fields the Administration has had less difficult problems to face and, in preliminary fashion at least, has continued to make useful progress. This has been particularly the case in relations with the less-developed countries, and the continuity reflected by the appointment of Mr. Dillon has been important in this field and elsewhere. A reaffirmation and intensification of USA concern to assist these areas has been evident in the approach to Indian development programmes, the "Alliance for Progress" with Latin America (which has already achieved the material support of Congress to the extent of \$500,000,000), and the recent encouragement by USA of action towards opening up commodity markets in the West likely to assist the primary producers in the less-developed area.

14. Although no repeat no significant achievements have yet emerged, the new Administration has made clear its flexibility in the approach to a number of problems on which USA policy in the past has tended to be static. There has been a tentative reassessment of USA-China policy, especially in relation to UN, although short, of course, of any foreseeable move towards recognition. In relation to the Korean problem, the new Administration has conceded the validity of a somewhat less doctrinaire approach to the responsibilities of the UN in connection with the problem of reunification. There have also been indications of increased emphasis, even by the President himself, on the need for the Governments of Asian Allies to take thought for the need of popular support, if USA material assistance is to achieve its desired ends. To avoid acting under the pressure of crisis conditions, reconsideration of Berlin contingency planning and of possible negotiating positions on Germany and Berlin is being undertaken.

15. It must be remembered that many of the positions and attitudes described above are opening positions which may well be modified. The new Administration has had very little respite from urgent and compelling problems. The coordination of policy, especially as between continuing regard for old friends and the desire to cultivate new ones, and even the regulation of the vast governmental machinery to avoid a debacle such as that over the Cuban invasion, has not repeat not unnaturally proved extremely difficult. The flexible pragmatic approach of the President and his principal advisers, however, seems on the whole likely to produce answers to match the magnitude of the problems. Finally, I believe that the President, as his Ottawa visit signifies, will, in seeking these answers, continue to welcome the expression of direct and frank Canadian views on the many problems confronting the two countries.

[A.D.P.] HEENEY

322.

DEA/1415-N-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 1558

Washington, May 15, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 1552 May 13.

Repeat for Information: NATO Paris, Paris, London, Bonn, Brussels, Geneva, Hague, Tariff Del from Ottawa, T&C Ottawa, Finance Ottawa, Bank of Canada Ottawa, Ext Aid Ottawa, PCO Ottawa from Ottawa.

THE KENNEDY ADMINISTRATION'S FIRST 100 DAYS – FOREIGN ECONOMIC POLICY

The Kennedy Administration has placed great emphasis on questions of foreign economic policy. This is in part due to the balance of payments problem inherited from the previous Administration and in part to a greater awareness of the facts of international economic interdependence and a determination to strengthen international cooperation in this field.

2. This general attitude is exemplified by the new and vigorous approach to the problem of economic development. The objectives have, of course, not repeat not been merely economic since the social and political problems created by the growing inequality of wealth between industrialized and less developed countries are very much in the minds of key figures of the Kennedy Administration. In consequence, the new emphasis on foreign aid is not repeat not limited to financial assistance but includes a fresh approach to commodity export problems of the developing nations and their export earnings and it looks to parallel action by these nations by way of self-help and domestic social and economic reforms.

3. Another factor is the great importance which the Administration attaches to the concept of economic growth; this has spurred new initiative in the field of economic cooperation among Western countries and a keen interest in fostering growth not repeat not only through trade but also through greater cooperation in all fields of economic activity.

4. Despite the problems posed by the current GATT tariff negotiations much less attention has so far been given to international trade policy. This is in large measure due to priorities imposed by legislative requirements; the new departure in the field of economic aid must first be established through the passage of this year's foreign aid legislation while trade legislation is not repeat not due for renewal until next year. Such evidence as there is suggests, however,

that the new Administration will continue to press for a non restrictive and outward looking USA foreign trade policy; indeed the whole area of USA trade policy is being reviewed and new and comprehensive proposals may be anticipated.

5. Following is a brief review of the major developments during the last three months:

(a) *Balance of Payments*. USA balance of payments situation has improved substantially due to a continued increase in USA exports, a reduction in short term capital outflow and corrective measures undertaken by USA Government and other countries. The deficit of \$4 billion at an annual rate during the last quarter of 1960 has been reduced to \$300 million or slightly over \$1 billion at a seasonally adjusted annual rate during the first quarter of 1961. The present Administration has maintained most of the balance of payments measures adopted by the Eisenhower Administration (including the tying of USA foreign aid and the order forbidding the holding of gold abroad by USA citizens). In addition, the following measures have been taken by the new Administration:

- (i) continued export drive and encouragement of foreign travel to USA;
- (ii) proposed legislation to remove special tax incentives for USA investment in foreign industrialized countries;
- (iii) continued pressure to remove remaining import restriction abroad;
- (iv) reduction of customs exemptions for returning USA travellers;
- (v) of particular importance, a major USA drive for more equitable sharing among Western countries of foreign aid and common defence; and
- (vi) proposals for close continuing consultations among Western countries on domestic monetary policy.

(b) *International Economic Cooperation*. The Kennedy Administration has seized upon the creation of the OECD and taken various initiatives designed to develop this body into a key instrument of economic policy and coordination. It has taken a number of initiatives in DAG and the OEEC Economic Policy Committee to ensure that the new organization develops in an effective and vigorous manner.

(c) *Foreign Aid*

(i) On March 22 President Kennedy announced proposals to recast USA aid policy through greater centralization (including Food for Peace programme) and emphasis on multi-year commitments and on increased economic aid. Increased emphasis was also placed on self help, long range planning and domestic reforms in recipient countries. Detailed legislative proposals are expected shortly.

(ii) *Latin America – Alliance for Progress*: A ten year programme for social and economic development for Latin America was announced by President Kennedy on March 15. The first step in the programme will be the \$500 million committed at Bogotá in 1960 and soon to be appropriated by Congress. Assistance under this programme will be made conditional on vigorous self help measures and internal reforms.

(iii) *India/Pakistan*: At the recent India consortium meeting, USA indicated a willingness to commit \$1 billion toward foreign exchange requirements of the first two years of the Indian third five-year plan. This commitment is conditional on congressional approval and on aggregate contributions of roughly the same magnitude on the part of other consortium members. Present indications are that USA is also prepared to announce a correspondingly increased contribution to the development of Pakistan.

(iv) As indicated above the new Administration has further developed the multilateral approach through DAG as a means to increase the total level of contributions by member countries and in seeking to develop the concept of burden-sharing in connection with foreign aid.

(d) *Foreign Trade Policy*. Although, as indicated above, the Kennedy Administration has not repeat not yet taken extensive action on questions of international trade, two noteworthy developments have occurred.

(i) In the face of strong pressures for protectionist measures on textiles, the Administration has instead decided to seek a broad international solution for this problem.

(ii) *EEC*. USA attitude to EEC remains basically unchanged although USA authorities have been led by recent developments to define their position on the possible accession of UK to the Common Market. Provided UK accepted the full obligations of the Rome Treaty, USA would favour UK accession; USA remains, however, opposed to any commercial accommodation between the Six and Seven which might water down the political content of EEC and increase the area of discrimination against USA.

6. We assume this message, and our telegram 1552 May 13 and 1543 May 12† will be brought to attention of Prime Minister.

[A.D.P.] HEENEY

323.

DEA/1415-N-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 PM-138

Ottawa, May 18, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

PRIME MINISTER'S TALKS WITH PRESIDENT KENNEDY

For Léger. Following for your personal information is a rough preliminary summary of main points known to us of Prime Minister's conversations May 16 and 17 with President.

2. President said that he would be meeting Khrushchev in Vienna after his visit to Paris. Subjects uppermost in his mind for discussion with Khrushchev were: nuclear testing, Berlin and Cuba.

Latin America

3. This seemed to have priority among subjects raised by President. He pressed Prime Minister to give serious consideration to joining OAS and to sending an observer to Inter American ECOSOC Meeting in July. Prime Minister gave no repeat no commitment.

4. President said that USA Government did not repeat not at present intend to volunteer further economic measures against Cuba although it was prepared to act promptly in response to provocation. President also made it clear that except in certain extreme circumstances USA did not repeat not contemplate military intervention in Cuba.

Southeast Asia

5. President expressed hope that International Commission in Vietnam could be made more effective as a means of controlling guerrilla infiltration into the South. He invited Canadian comments as to how procedures of Commission could be improved and said that after receiving our comments he would propose to communicate USA views to Mr. Nehru with a view to enlisting Indian cooperation. Prime Minister agreed to provide Canadian comments or suggestions.

6. Re Chinese representation in UN. President had nothing new to offer. Prime Minister emphasized importance of avoiding a division of opinion among NATO nations at next Assembly.

Berlin

7. The President said conclusion of a peace treaty with East Berlin by USSR would not repeat not be cause for alarm and he would not repeat not be concerned if East Germans assumed responsibility for control of access. He would make clear to Khrushchev that the West could not repeat not afford to give away its rights.

UK and Common Market

8. President said main attraction for USA in UK association with Common Market was political. USA would want to avoid a limited form of relationship involving merely a tariff agreement.

Foreign Aid

9. President reviewed global requirements for aid with emphasis on India, Pakistan and Latin America. He expressed hope that Canada would help. Prime Minister said that he could not repeat not justify any increase at present time in Canadian aid commitments.

Nuclear Testing and Disarmament

10. President closely linked these subjects and made it clear that USA regarded Nuclear Testing Conference as an important criterion of Soviet intentions. He told Prime Minister privately that unless Khrushchev agreed to renew serious negotiations USA Delegation would be withdrawn from Geneva. He could not repeat not see how there could be any progress on disarmament unless a forward move was possible on a nuclear test ban. Prime Minister expressed agreement and indicated his concern that emphasis on unilateral disarmament in various Western countries was contributing to a weakening of Western unity and strength vis-à-vis USSR.

Oil Bunkering

11. Prime Minister expressed appreciation of USA attitude.

12. With reference to Council Meeting mentioned in your telegram 1197 May 17† we suggest that you should base your comments on joint communiqué, press briefing and President's speech,⁸ which together reflect accurately main emphasis of conversations. In addition Prime Minister will be reporting tomorrow morning to House of Commons and may indicate at that time in general terms the position which he took with President Kennedy on some of main issues. Text will be forwarded promptly.⁹

⁸ Voir/See Public Papers of the Presidents of the United States: John F. Kennedy, Containing the Public Messages, Speeches, and Statements of the President, January 20-December 31, 1961 (Washington: United States Government Printing Office, 1962), documents 191-193; "Kennedy Bids Canada Join U.S. in Hemisphere Role," New York Times, May 18, 1961, pp. 1, 12; "Diefenbaker-Kennedy Pledge Defense Co-operation and Pursuit of End to War," Globe and Mail, May 19, 1961, p. 8.

⁹ Au sujet des armes nucléaires, consulter le document 390. Pour la transcription de la conversation établie par les États-Unis, consulter *Foreign Relations of the United States, 1961-1963*, Vol. XIII (Washington: United States Government Printing Office, 1994), documents 421-425. On nuclear weapons, see document 390. For American records of the conversation, see *Foreign Relations of the United States, 1961-1963*, Vol. XIII (Washington: United States Government Printing Office, 1994), documents 421-425.

5^e PARTIE/PART 5
QUESTIONS DE DÉFENSE ET SÉCURITÉ
DEFENCE AND SECURITY ISSUES

SECTION A
ARMES NUCLÉAIRES
NUCLEAR WEAPONS

324.

DEA/50210-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 6, 1961

MEETING OF THE PERMANENT JOINT BOARD ON DEFENCE

The next meeting of the Permanent Joint Board on Defence takes place on January 24 and one of the continuing items on the agenda is "The Storage of Defensive Nuclear Weapons at Goose Bay and Harmon Air Force Base."

2. You will recall that on December 6 Cabinet decided

that discussions (or "negotiations") with the United States Government concerning arrangements for the essential acquisition of nuclear weapons or warheads for use by the Canadian forces, in the manner already decided, may proceed as soon as they can usefully be undertaken but the acceptance of joint control is to be a basic principle; and that the agreement with the United States concerning the storage of defensive nuclear weapons at Goose Bay and Harmon Air Force Base for the United States air defence forces should not be concluded until after discussions with the United States on other matters had been concluded.

3. The question now facing us is what Mr. Wilgress should say at the forthcoming PJBD Meeting, bearing in mind that the United States Section on its return to Washington will be reporting to the new Administration. I am of the opinion that if Mr. Wilgress were to make a forthright statement, perhaps along the following lines, it would be more useful than if he were simply to say that he was in no position to report on this matter:

"The Canadian Government will not be able to come to a final decision on the Goose-Harmon agreement until its position with respect to the establishment of nuclear weapons stockpiles for Canadian forces has been resolved and until the situation regarding certain defence procurement negotiations, now being carried on, is clearer. In this connection, I may say that it is the intention of the Canadian Government to initiate discussions with the United States Government concerning arrangements for the establishment of stockpiles of nuclear warheads for the Canadian forces as soon as such discussions can be usefully undertaken this spring."

4. You might wish to discuss this matter with Mr. Wilgress prior to his departure for the Board meeting.¹⁰

N.A. R[OBERTSON]

325.

J.G.D./MG01/XII/F/100

*Note du secrétaire du Cabinet
pour le premier ministre*

*Memorandum from Secretary to Cabinet
to Prime Minister*

PERSONAL

[Ottawa], January 8, 1961

NUCLEAR WEAPONS; POLICY STATEMENT

I have been thinking of the substance and tactics on this subject before getting down to wording and would like your direction on several points.

On substance, I believe you have now reached the conclusion that we should make the necessary arrangements with the United States to have nuclear weapons available for the Canadian forces, under joint control, and in accordance with the basic policies outlined in your statement of February 20th, 1959.¹¹ I hope this is the case, for I feel these defensive weapons are needed now in Canada for anti-bomber and anti-submarine defence. I think the real need for our forces in Europe having them is less urgent, but we have made clear-cut commitments to NATO on the matter and there would be serious trouble here and in Europe in cancelling or frustrating the huge F104 programme to re-equip our air division there. Moreover, I think there is another type of danger in serious delay; should you decide after an election to have these weapons available for the defence of Canada, many people would say or think that you had knowingly risked the security of Canada and the Alliance for election purposes.

Therefore I assume that what you want is a statement announcing that we are negotiating now with the United States the arrangements by which nuclear warheads can be kept available in Canada under joint control for the use of Canadian and U.S. forces if and when they are required in defensive anti-aircraft and anti-submarine weapons. The statement would recognize the arguments for not having such weapons, disarmament and the desire not to enlarge the nuclear club, and would justify our delays on those grounds, but say why we feel the defence arguments now outweigh these considerations.

On tactics, I would suggest you consider asking the House of Commons to approve by suitable resolution the Government taking these necessary steps to be ready to protect the country and the Alliance. There has been so much said and written outside of Parliament by well meaning but ill-informed people on this subject, that I feel the air should be cleared and the Government given a chance to explain the real situation so far as security permits (which is pretty far) by a proper debate in the House early in the session. Moreover, it will I think strengthen your position on balance to have such a debate and make it necessary for the Liberals to declare themselves in a responsible way in advance of the campaign. The CCF (NDP) will no doubt oppose, but will have more difficulty in doing so in debate than on the

¹⁰ Note marginale :/Marginal note:

Saw Dana Wilgress & George Ignatieff Jan. 13-61. [H.C. Green]

¹¹ Voir Canada, Chambre des Communes, *Débats*, 1959, Volume II, pp. 1279 à 1282.
See Canada, House of Commons, *Debates*, 1959, Volume II, pp. 1221-24.

hustings I think most of those who will oppose you on this issue, after a good debate, will likely be voting NDP anyway, or for Pearson as winner of the Nobel peace prize.

The chief difficulty is, of course, Mr. Green and this causes me serious concern for I have much respect and affection for him, even when I cannot agree with him. I should be glad to help in any way I can in preparing memoranda for you to give him or in talking to those of his officials, chiefly Norman Robertson, who encourage him in this last ditch opposition to our having these warheads available.

Perhaps I should add that I do not think we need to be in this nuclear business indefinitely. Our role in Europe should be, within a few years, as part of the non-nuclear force there on which the United States now puts such emphasis, if indeed we need to remain in Europe at all for more than five years or so. In North America, the importance of the ICBM and Polaris-type missiles will grow so rapidly in the next five years that defensive nuclear weapons of the nature we are planning to have within Canada will become much less important than now, and we could leave them to the United States and perhaps turn our efforts to special non-nuclear forces to use in some sort of international set up. But it is clearly far too early for that now and we should have ready as soon as possible the defensive weapons that would be important during the next five years or so.

R.B. B[RYCE]

326.

DEA/50210-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 9, 1961

NUCLEAR WEAPONS POLICY

I understand that Mr. Harkness has sent you a letter to which was attached a draft agreement on general principles governing the stockpiling of nuclear weapons in Canada and Europe for possible Canadian use.¹² You may find the following comments useful in your consideration of this matter.

2. This draft is but a slightly revised version of the one prepared some time ago by officials of the Department of National Defence and this Department. It would, of course, be desirable for officials to go over it again as certain changes may be desirable before it is considered by Ministers. For example, the language of paragraph 3 might be strengthened by adding the words "and inter-governmental consultation" at the end of the paragraph to give emphasis to the point and to state more clearly the need for inter-governmental consultation as a means for exercising control over the possible use of nuclear weapons.

3. The proposed agreement would be an agreement on general principles only, but it will take some time and prove difficult to negotiate, even though some of the principles already agreed to in connection with the proposed storage of defensive air-to-air weapons at Goose and Harmon have been worked into it. Even if it were completed and signed, as you will appreciate, it would not commit Canada to the acquisition of nuclear weapons since, before this could come about, it would be necessary to work out supplementary agreements covering each type of weapon. These, too, would take a good deal of time to negotiate.

¹² Voir/See Volume 27, document 277.

4. The principle of joint control, which the Cabinet has agreed should be basic to any agreement on the subject, has been incorporated in the draft and applied in various ways. Joint control over use, over release from storage and for the physical security of the sites are all provided for. In Canada, joint responsibility for physical security would be carried out by United States personnel being responsible for safeguarding and maintaining the warheads and Canadian forces being responsible for the external security of the sites (paragraph 2). Joint responsibility for release from storage would be stated as a principle (paragraph 3), with the details to be spelled out in supplementary agreements. The sole responsibility of the Canadian Government for the use of the weapons once released from storage would be stipulated (paragraph 4). In Europe, in the event Canada is to be the sole user of a storage facility, security of the site, subject to agreement with the host government, would be provided as if the site were in Canada, i.e., Canada would provide the external security for the site (paragraph 2). If Canada is to be a joint user, the external security of the site or sites would be as agreed between the governments concerned (paragraph 15). Controls over the release from storage would vary from weapon to weapon but based always on the principle of joint responsibility (paragraph 3). Authorization for the use of the weapons by Canadian forces, once released, would be the responsibility of Canada (paragraph 4).

5. The problem of controls is, of course, extremely complex. We have made a first attempt to examine the implications in a paper which is attached. If you agree, it could be used as a basis for further consultation between this Department and the Department of National Defence.

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

Projet d'une note

Draft Memorandum

SECRET

[Ottawa], January 9, 1961

NUCLEAR WEAPONS POLICY – CONTROLS

I. POLICY CONSIDERATIONS

When Cabinet considered the above subject on December 6 last, one of the decisions taken was that in any discussions or negotiations with the United States concerning the stockpiling of nuclear weapons or warheads for Canadian forces, the “acceptance of joint controls (is) to be a basic principle.” This paper examines the meaning and implications of this principle.

2. The problem of controls is, of course, fundamental to any consideration of the terms under which Canada might acquire nuclear weapons and the United States might stockpile such weapons in Canada for its forces. Essentially, the technical problem is to reconcile the requirements of the United States Atomic Energy Act with the need for the responsible military commander to respond to an emergency situation. There is also the all-important political problem, to reconcile the responsibility of the Canadian and United States Governments to exercise control through consultation in situations likely to give rise to the use of nuclear weapons. As stated by the Prime Minister in the House on July 14, 1960, the United States Act requires that ownership of the U.S. warheads must remain with the United States and that the warheads cannot be used by non-American forces unless released for the purpose by the President. On the other hand, if and when nuclear weapons are acquired by Canadian forces, they will be used only in the manner approved by the Canadian Government, and arrangements for safeguarding the stockpiles will be subject to Canadian approval and consent. These two elements taken together create a situation requiring certain responsibilities to be

shared by both Governments. The controls so exercised jointly would vary depending upon the weapons and their location. In the same way, these controls would not necessarily be exercised simultaneously in point of time.

3. The United States is, of course, bound by the restrictions imposed by its legislation when making arrangements with other governments. In no case can it abdicate responsibility for custody of warheads, i.e., control of access to the weapons, or their ownership, and cannot grant more favourable treatment to one ally than to another. Finally, it does not wish to see any expansion of the nuclear club. Canada shares this latter wish and has publicly declared so on many occasions. Like the United States, Canada regards the decision on the use of nuclear weapons of any sort as a matter of high policy and therefore appropriate to the maximum degree of Government control, consistent with the requirements of national security. Canada's policy to seek extensive joint controls is not only based on a desire to give expression to this view but is also a political requirement in keeping with its position as a sovereign nation.

4. There are three areas in which the principle of joint control can be established:

- (a) Controls over the physical security of the sites;
- (b) Controls over the release of the warheads from storage;
- (c) Control over the use of the weapons.

5. *Physical Security*

The degree of control which can effectively be shared varies greatly depending upon the location of the warheads. For example, in connection with the storage of nuclear air-to-air missiles at Goose Bay and Ernest Harmon A.F.B., it will be recalled that the Cabinet agreed to the concept of a Canadian representative rather than joint responsibility for physical security. By this means, the importance the Canadian Government would attach to strict adherence to the terms of the proposed agreement would be demonstrated and the same objective achieved. To provide for Canadian troops physically sharing guardianship of the storage sites on these bases with United States forces in a United States enclave not accessible to the general public would be a waste of manpower, would raise difficult questions of military jurisdiction, and might give rise to differences of interpretation of the rights and duties of each Government under the governing lease.

6. With respect to storage in Canada outside leased areas, however, the concept is both feasible and desirable. It could take the form of a division of the responsibility with United States custodial personnel being responsible for "internal" security and Canadian forces being responsible for "external" security. The United States position would be safeguarded and any contact the public might have would be with Canadian forces. Such a system is envisaged for stockpiling of warheads for the two BOMARC Squadrons, anti-submarine weapons for the RCAF Maritime Command, and possibly eventually for the air-to-air missiles for the RCAF Air Defence Command. It would also be appropriate for any storage outside any United States leased territory of anti-submarine weapons for the R.C.N. Inside U.S. leased territory such as Argentia, the concept of a Canadian representative would seem more appropriate for the same reason that this concept was found most suitable in the case of Goose and Harmon.

7. [In this paper no attempt has been made to examine the problem of controls for MRBMs. References to control in the NATO context are solely to those for tactical weapons proposed for Canadian use, i.e., warheads for the Honest John and air-to-surface missiles for the CF-104s.] In Europe, the "inner" and "external" security concept could be applied without difficulty to stockpiles of warheads earmarked solely for Canadian forces. A variation of this concept might be required for joint user sites, with Canadian forces on the "outer" ring sharing guardianship with troops of the other country or countries concerned. To date, Germany, where the stockpiles for the use of Canadian forces will be located, has not indicated any desire to share responsibility for this or indeed any other phase of the controls over stockpiles

on its soil, but should it do so then a procedure agreeable to all parties would have to be worked out. Because of President de Gaulle's stand with regard to the storage of warheads in France, the United States has had no opportunity to explore what arrangements might be arrived at in that country. Unless the United States comes to some understanding or *modus operandi* with the French Government, it seems unlikely that there will be any possibility of making stockpile arrangements to supply that portion of the Air Division based in France. Thus the degree of control Canada might be able to exercise over weapons stored in France for the Air Division cannot be estimated at this time.

8. *Release from Storage*

The main purpose in seeking joint control over the release of warheads from storage would be to ensure that adequate Canadian political control is exercised when circumstances arise which would make preparations necessary for the employment of nuclear weapons by United States forces or Canadian armed forces in or over Canadian territory or in Europe. A Canadian control is required at this stage of the process whether removal is conducted for logistic or for operational reasons. How this could be applied in practice would vary according to location and from weapon to weapon. In the case of BOMARCS, for example, we would be faced with somewhat the same problem as the United Kingdom in connection with establishment on RAF bases of Thor missiles, namely that in order to be ready for use with minimum delay the warhead must be in position, or "stored," on the carrier. To overcome this problem, the "double key" formula has been developed. Something similar might be required for the BOMARCS.

9. A different procedure would be required for anti-submarine weapons allocated to the RCAF Maritime Command and the R.C.N. whether stored in Canada or at Argentina. Perhaps all that would be necessary would be a simple provision in the governing agreements that removal, whether for logistic or operational reasons, requires the consent of the Canadian Government (the requirement of the consent of the United States Government to removal from storage would be assumed to have been given).

10. In Europe, for the reasons explained in paragraph 14 below, the extent to which Canada could exercise control over release from storage could only be specified in terms of the Canadian Government authority required by the Canadian commander before he is authorized to take delivery. As in the case of physical control, it could be provided for in general terms as a statement of fact without stating in precise terms how it might be carried out. Much would depend upon the exact location of the site and the type of weapon.

11. *Joint Control Over Use*

It might appear from the foregoing that separate consultations would have to be arranged to cover each stage of the process. This might be feasible in certain circumstances as, for example, in a period of mounting tension, but provision would also have to be made to cover an emergency situation in order to ensure that the military commander concerned is not so restricted as to be unable to react quickly in the event of a surprise attack. To this end, it could always be understood that Canadian approval for one stage would also constitute approval for any earlier stage. Thus approval for the use of the weapons would constitute authority for their removal from the storage site or from the base as the case may be. In all circumstances, however, it will be necessary to provide for a rapid and secure means of communication in order to ensure that governmental approval can be obtained, perhaps at very short notice.

12. Joint control over use is, therefore, the most important and meaningful of all the different aspects of joint controls. As applied to the air defence of North America, the position is reasonably clear. Canada exercises with the United States joint responsibility for the operations of NORAD including the weapons placed at NORAD's disposal. In the event that defensive nuclear weapons are made available to NORAD forces in Canada, they could only be used in

accordance with agreed procedures governing NORAD's operations which, in turn, are approved by both governments. Thus, in Canada, such weapons could only be used in Canadian territory or air space under conditions agreed to by Canada. The United States is able to exercise joint control over use by withholding Presidential authority for the release of these weapons to Canada and presumably would only permit their release if satisfied that the particular situation requires their use. Canada can only exercise its share of responsibility once the weapons have been released but, even so, the weapons could not be used even though released by United States if the Canadian Government does not see fit to permit their use. Thus, irrespective of the action the United States may take, the control of the Canadian Government amounts virtually to a power of veto.

13. Insofar as anti-submarine weapons are concerned, the situation is less clear. It will be recalled that, at the Montebello meeting of the Canada-United States Committee on Joint Defence, it was agreed that joint control over storage and control over release from storage at Argentia presented no particular problem as the same general principles embodied in the proposed Goose-Harmon agreement could be applied.¹³ A special problem over the use of such weapons would arise, however, with respect to the extent to which Canadian control could or should be applied once a naval vessel had left Canadian territorial waters. This is purely a matter of government policy, and quite similar to that faced by the United Kingdom in connection with the degree of control it will have over Polaris-equipped submarines based on the Clyde once such a submarine has left United Kingdom territorial waters. According to Mr. Macmillan, there is "general agreement" that there will be "the fullest possible previous consultation with the United States and our Allies" although he recognized that such consultation might not be possible in the event of an emergency. Both Mr. Macmillan and Mr. Watkinson, the Minister of Defence, said that in all events "we shall continue to rely on the close co-operation and understanding that we have of the United States on all defence matters."

14. In the case of Canadian forces committed to NATO, the application of the concept of joint control has additional implications. There is a general understanding among governments that, where time permits, the Council will be consulted before nuclear weapons are employed by NATO forces. It is also understood that, in the event of a sudden large-scale attack, SACEUR is authorized to use all the means at his disposal, including nuclear weapons, necessary to repel the attack. In effect, members will be able to exercise a measure of control through the Council where there is time.

15. The absence of any clear cut definition of the degree of control to be exercised by the Council, however, does not preclude Canada and other countries with forces to be equipped with nuclear weapons from ensuring that they are able to share responsibility with the United States (and, if necessary, with SACEUR) regarding the use of the weapons. The practice so far has been to conclude bilateral stockpile agreements between the United States and the user countries concerned. No problem has, as yet, arisen with "host" governments as Germany, up to the present the only host country, has not yet sought to participate in these agreements. It may, of course, decide to do so in the future in which event a new element will be injected into the picture. However, in view of the fact that Canadian forces will be in physical control of the means of delivery, it should be possible to ensure, through the terms of the stockpile agreement, that joint control over physical security, over release, and over use are applied.

¹³ Voir/See Volume 27, document 302.

II. APPLICATION OF POLICY CONSIDERATIONS

16. The three phases of joint control outlined above have been covered in various ways in the "MB-1 Overflight" agreement, the proposed agreement on storage at Goose Bay and Ernest Harmon A.F.B., and in the working draft which has been prepared governing stockpiling of warheads for Canadian forces in Canada and in Europe.

(a) MB-1 Overflight Agreement

17. This agreement, which is renewed annually, permits USAF interceptors under CINCNORAD's operational control to overfly Canada with nuclear air-to-air weapons under certain conditions, as described below. At the moment, this agreement applies only to interceptors based on the United States but it would automatically apply to such interceptors based at Goose and Harmon when the agreement for their storage there is concluded. Since the weapons are stored in the United States, the questions of joint control over physical storage and for release from storage do not arise.

18. The Canadian Government, however, does have joint control over the use of the weapons in Canada. Interceptors armed with these weapons may only enter Canadian air space whenever a condition of Air Defence Readiness or Air Defence Emergency is declared by CINCNORAD. These are NORAD's two highest states of readiness and would only be declared in a state of grave emergency when an attack on North America is deemed either to be imminent or in actual progress. As this agreement is renewed annually, the Canadian Government may alter its terms if it decides to do so when the agreement comes up for renewal.

19. In addition to this control, under the terms of an Exchange of Letters of September/October, 1959, except in a grave emergency, there must be consultation between the two Governments in both the diplomatic and military channels before CINCNORAD may increase his state of readiness (at the time this agreement was being negotiated, it was clearly recognized that it would be unrealistic to make consultation mandatory in a situation of grave emergency should a surprise attack be launched on North America without any prior build-up of international tension). Moreover, the weapons in question may only be used in accordance with NORAD's Rules of Engagement which have to be approved by the Chiefs of Staff of both countries.

20. The arrangements already agreed to with the United States embodied in this agreement provide the necessary safeguards to ensure Canadian control over the use of the weapons in question in Canadian air space consistent with the need for CINCNORAD to react quickly in an emergency. Should the Canadian Government feel it necessary to go further in order to ensure control for their use in an emergency situation, the only method by which this could be done would be to devise some system whereby an appropriate Minister, and possibly the Prime Minister as well, could be reached at a moment's notice at any time of the day or night to give the necessary authorization.

(b) The Proposed Agreement for Storage at Goose and Harmon

21. The weapons to be stored at these two locations would be for United States' use and a number of controls have been written into the draft as it now stands. Joint responsibility for arrangements for the storage of the weapons is provided for by the United States assuming responsibility for the security of the storage sites in accordance with the terms of the governing leases and Canada providing a "representative" at each location in order to ensure that the United States carries out its obligations under the agreement. Procedures for the handling of the weapons would be subject to Canadian approval. The weapons would be transported in accordance with Canadian law and agreed procedures. Joint control over use would be covered by the automatic application of the provisions of the MB-1 Overflight Agreement and the

NORAD States of Readiness Agreement. Specific Canadian approval is required for the removal of the weapons from the area of the base.

(c) The Proposed Stockpiling Agreement

22. The draft on this subject which has been prepared by officials but not yet formally considered by Ministers covers both stockpiles in Canada and in Europe for Canadian forces. It envisages a set of general principles applicable to both areas and other principles applicable to one area only. This proposed agreement would not, in itself, permit any stockpiling. Once concluded, it would serve only as a context within which there can be negotiated a series of inter-governmental agreements setting out the detailed arrangements for the provision of specific weapons, the controls to be applied, and the logistic considerations surrounding their storage.

23. With regard to stockpiling of warheads for use by Canadian forces in Canada, the proposed agreement provides for joint responsibility for physical security, with United States personnel being responsible for safeguarding and maintaining the warheads and Canada responsible for the external security of the sites. It would establish the principle of joint responsibility for the procedures under which the warheads would be released from the storage sites but would not attempt to spell them out. The sole responsibility of the Canadian Government for the use of the weapons once they have been released from storage would be stipulated. As in the case of the proposed Goose-Harmon Agreement, the procedures for handling the warheads would be subject to Canadian approval and the transport of the warheads would be subject to Canadian laws and regulations.

24. With regard to stockpiles in Europe for Canadian forces, the draft envisages controls to be exercised as follows. In the event Canada is to be the sole user of a storage facility, security of the site, subject to agreement with the host government, would be provided as if the site were in Canada, i.e., Canada would provide the external security for the site. If Canada is to be a joint user, the external security of the site or sites would be as agreed between the governments concerned. As would be the case of stockpiles located in Canada, controls over the release from storage sites would vary from weapon to weapon but based always on the principle of joint responsibility. Similarly, authorization for the use of the weapons by Canadian forces, once released from storage, would be the responsibility of Canada.

327.

CEW/Vol. 3093

*Note du secrétaire de la section canadienne,
Commission permanente canado-américaine de défense,
pour la section canadienne,
Commission permanente canado-américaine de défense*

*Memorandum from Secretary, Canadian Section,
Permanent Joint Board on Defence,
to Canadian Section,
Permanent Joint Board on Defence*

SECRET

[Ottawa], January 13, 1961

NUCLEAR WEAPONS POLICY

The Chairman of the Canadian Section will make the following statement on this item:

“The Canadian Government will not be able to come to a final decision on the Goose-Harmon agreement until the position with respect to the acquisition of nuclear warheads for the use of Canadian forces has been resolved. In the meantime, preparations are continuing to

enable the Canadian forces to have the vehicles, missiles, bases, training and other requirements to enable them to use nuclear weapons if and when the adoption of these weapons is considered necessary. I may say that it is the intention of the Canadian Government to initiate discussions concerning arrangements for the acquisition of nuclear warheads for Canadian forces as soon as such discussions can usefully be undertaken.”

328.

DEA/50210-F-40

*Note du conseiller du Gouvernement canadien
en matière du désarmement
pour le chef de la 1^{ère} Direction de liaison avec la Défense*

*Memorandum from Advisor to Government of Canada on Disarmament
to Head, Defence Liaison (1) Division*

CONFIDENTIAL

[Ottawa], January 13, 1961

NUCLEAR WEAPONS POLICY

Following our conversation, I am setting down the following notes on the points in the draft paper on the above-mentioned subject, which you allowed me to see, which struck me as raising some difficulties.

2. The first point relates to the covering memo, page 2, line 29. It seems to me that there is a contradiction in the statement that “authorization for the use of the weapons by Canadian forces, once released, would be the responsibility of Canada.” SACEUR is to have operational command of the Canadian forces. While Canada would undoubtedly be able to exercise judgement as to whether the weapons were to be released or not, provided events did not move too rapidly, it would seem extremely difficult to maintain Canadian commanders are to obtain Mr. Diefenbaker’s authority, and SACEUR is to obtain the President’s authority before nuclear weapons could be used, in view of the very high speed at which a serious situation might be expected to develop, and in view of the confused situation likely to obtain because of uncertainty of information, it would seem that, unless we are to risk the Canadian forces being overwhelmed before they could use their weapons, they would have to use them in accordance with SACEUR’s orders once the decision had been taken to release them.

3. In para. 7 of the main paper, the point is made that the warheads for the use of the airforce F-104G’s could not be stored in France while President de Gaulle’s position remains as at present. This might mean that, in order to use these weapons on this aircraft, our bases will have to be moved, which would doubtless raise grave problems.

4. Paras. 14 and 15: The “understanding” that where time permits the Council will be consulted before nuclear weapons are employed would seem to have little value, as probably time would hardly ever permit and as, in the case of a sudden large scale attack, SACEUR is authorized to order the use of nuclear weapons. The final sentence in para. 15 does not appear to be consistent with statements in para. 14.

5. Para. 21: The object of maintaining joint control over these stocks for the use of US aircraft is not very clear. Their mere presence on Canadian soil, whether they were partially under Canadian control or not, would probably be enough to enable Russia in a war situation to claim justification for any nuclear attack on the facilities – whether in fact Canada authorized the US armed forces to use these stocks or not.

E.L.M. BURNS

329.

DEA/50210-F-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 13, 1961

My dear Colleague,

I am sorry that I have not been able to reply to your letter of December 30 before this date.

To your letter you attached a draft agreement on general principles governing the provision of stockpiles of nuclear weapons for Canadian forces.

I am asking the officials of my Department, who are concerned with this question, to examine this draft and let me have their comments. When these have been received, I shall be in a position to reply more fully to your communication.

Yours sincerely,

H.C. GREEN

330.

J.G.D./MG01/XII/B/179

*Note du premier ministre
pour le secrétaire d'État aux Affaires extérieures
et le ministre de la Défense nationale*
*Memorandum from Prime Minister
to Secretary of State for External Affairs
and Minister of National Defence*

[Ottawa], February 13, 1961

There is nothing inconsistent with maintaining Canada's Defence while at the same time pressing forward for disarmament.

J.G. D[IEFENBAKER]

331.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], February 14, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),

The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

DISARMAMENT – CANADIAN POLICY 1961; NUCLEAR WEAPONS;
 MEETING WITH PRESIDENT OF U.S.
 (Previous reference June 23, 1960)

31. *The Secretary of State for External Affairs* said that on June 23rd, 1960, the Cabinet had approved a Canadian view on Soviet proposals then current, as guidance for the Canadian Representative to the Conference of the Ten Nation Committee on Disarmament. Subsequently, the United States, with the support of other Western members of the Committee, had submitted new proposals, and the U.S.S.R. had put forward revised proposals. It was therefore desirable to review Canadian disarmament policy for the guidance of the Canadian representatives in forthcoming discussions.

An explanatory memorandum was circulated, (Memorandum, Secretary of State for External Affairs, concurred in by the Minister of National Defence, Feb. 13 – Cab. Doc. 67-61).†

32. *The Prime Minister* said that, while in Washington on February 20th, he would try to discover how far President Kennedy would go in the direction of joint control over the use of nuclear arms if located in Canada. To prevent public misunderstandings or inconsistencies in public statements, future announcements of the government's policy on nuclear weapons should be made by the Prime Minister only. The policy at this time should be that announced by him two years previously, on February 20th, 1959¹⁴ and any changes in policy would be determined by the Cabinet.

As President Kennedy had decided to have the U.S. Secretary of State and the U.S. Ambassador to Canada in attendance at the meeting on February 20th, he was asking Mr. Green instead of Mr. Walker to accompany him. Changes had also been made in the programme for the Commonwealth Prime Ministers' Conference, and this might affect the composition of the Canadian group that would proceed to London.

33. *During the discussion* the following points were raised:

(a) New paragraphs had been inserted in the memorandum dealing with the inclusion, in the first stage of disarmament, of measures for restricting the spread of nuclear weapons to other countries. These paragraphs would not prevent the government of Canada from obtaining nuclear weapons from the United States at this time.

¹⁴ Voir Canada, Chambre des Communes, *Débats*, 1959, Volume II, pp. 1279 à 1282.
 See Canada, House of Commons, *Debates*, 1959, Volume II, pp. 1221-24.

(b) A recent public opinion poll indicated that 46 per cent of Canadians favoured acceptance of nuclear weapons by Canada, 20 per cent were opposed and the remainder were undecided.

(c) The obstacle to the recognition of Red China by Canada was not the possibility of objections from the U.S., but the fact that Red China would not accept recognition unless their right to Formosa was also recognized, and the fact that such recognition would discourage the anti-communist states of Southeast Asia. Formosa was an inherent part of the North American defence system. Other nations bordering on the Pacific, such as Australia, New Zealand and Japan, had withheld recognition from Red China. The recent statement by Lord Home on recognition had probably not been authorized by the U.K. government. The question would not arise again at the United Nations until the autumn of 1961.

34. *The Cabinet* approved the memorandum of the Secretary of State for External Affairs, dated February 13th, 1961, concurred in by the Minister of National Defence, (Cab. Doc. 67-61), as a statement of the Canadian position on disarmament, for the guidance of Canadian representatives at future disarmament negotiations, and took note of the Prime Minister's view that the policy regarding nuclear weapons stated to Parliament on February 20th, 1959, should be regarded as continuing to be government policy except insofar as the Cabinet decides otherwise.

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332.

CEW/Vol. 3093

*Note du secrétaire du Cabinet
pour le premier ministre*

*Memorandum from Secretary to Cabinet
to Prime Minister*

SECRET

[Ottawa], February 15, 1961

NUCLEAR WEAPONS – POSITION FOR DISCUSSION
WITH PRESIDENT KENNEDY

After re-studying your main statements on the subject and reviewing the discussions and papers about it, I would make the following comments and suggestions for you:

1. I do not believe that much is to be gained, either internationally or domestically, by keeping the Canadian position undefined or fluid. In fact the Canadian position is reasonably well-determined now and needs only some re-affirmation on your part and some defence by your Ministers to clear up the confusion in the press and public mind, which I feel is doing harm to the Government. Therefore I suggest that you tell Kennedy the main points of Canadian policy, and later make a statement to the House, setting forth the Government's position as clearly as possible.

2. On matters of principle, there is very little difference between the Government's position on this subject and what the United States is willing to do (except in respect of SAC weapons at Goose Bay). Your basic statement of February 20th, 1959 was accepted by the U.S. members of the Joint Defence Committee in advance. The addition to it of "joint control," which was not referred to as such, does not pose serious problems, as long as the United States retains the authority to release the warheads for our use, in accordance with their law and with the principle you endorsed in February 1959.

3. There are some practical problems of procedures and presentation. We have solved most of these in respect of the warheads to be at Goose Bay and Harmon Field for the U.S. air defence squadrons there, in the agreement that has been worked out but not yet signed. There are some

other problems of detail in connection with defensive nuclear naval weapons at Argentia, relating to their being put on U.S. naval ships leaving that base for duty at sea, but these should be soluble. The problems of detail relating to the BOMARCS seem to be soluble by a "two-key" arrangement such as the United Kingdom has with the United States. The weapons for our NATO forces do not present serious problems vis-à-vis the United States, though there are complications about relations with NATO and the host country, and in arrangements for obtaining prompt approval by the Canadian Government in an emergency.

4. These matters of detail about procedures and the wording of announcements are not suitable for discussion between the President and yourself at this time, even if we were ready, and I doubt if they will ever require such high level discussions. They can be settled, I think, by the regular diplomatic machinery and the Canada-U.S. Committee of Ministers.

5. Consequently I think there is little that you have to ask Kennedy for at this stage in this field, and your real objective should be to use the opportunity to make clear what our policy is. Put briefly, it is, I suggest, the following:

(a) In general it is that set out in your February 1959 statement, plus joint control.

(b) We wish to proceed now with the negotiation via diplomatic channels of agreements under which we can get U.S. nuclear warheads and weapons for the Canadian forces when and if we need them in accordance with the principles already stated.

(c) We are prepared to enter into the agreement concerning the U.S. air defence squadrons at Goose and Harmon as soon as we can enter into an agreement re the Canadian forces requirements.¹⁵

(d) We would proceed now to work out a separate agreement for naval weapons at Argentia, which will have to take account of the special problems of naval use aboard ships.

(e) We prefer to leave in abeyance for the present any arrangement to place SAC attack weapons at Goose Bay, as this will cause us serious political problems in Canada which may be less when the arrangements over defensive weapons have been worked out and announced.¹⁶

(f) We do not wish to have the nuclear warheads for the Canadian forces placed in Canada until our forces are equipped and trained to use them, and therefore we will continue to say we are making arrangements to get them only if and when they are needed.¹⁷

(g) At present we would not plan to hold nuclear warheads in Canada for use on any F-101 interceptors that we might obtain from the United States, but plan to obtain them quickly from nearby U.S. bases in an emergency.¹⁸

(h) We do not foresee any special difficulties about arrangements for nuclear weapons for the Canadian forces in NATO but we would stipulate that they can be used only with the

¹⁵ Note marginale :/Marginal note:
Mentioned by P.M. possibly one master agreement. [A.D.P. Heeney]

¹⁶ Note marginale :/Marginal note:
No ref. made. [A.D.P. Heeney]

¹⁷ Notes marginales :/Marginal notes:
No ref. [A.D.P. Heeney]
Canadian forces are equipped to make use of them if necessary. [Auteur inconnu/Author unknown]

¹⁸ Note marginale :/Marginal note
Ditto. [A.D.P. Heeney]

approval at the time of the Canadian Government and we will make arrangements so that approval can be given promptly.¹⁹

(i) We would hope and expect that the close consultation in regard to intelligence and policy that has prevailed in the past between our two countries will continue in the future so that the Canadian Government will be able to act promptly in an emergency.²⁰

R.B. B[RYCE]

333.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], February 21, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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REPORT ON DISCUSSIONS WITH PRESIDENT KENNEDY;
 CANADIAN POSITION ON STORAGE OF NUCLEAR WEAPONS
 (Previous reference February 17)

4. *The Prime Minister* said that he had outlined to President Kennedy the views of the government of Canada on the storage of nuclear weapons in this country. He had stated that negotiations should continue regarding such storage at Harmon Field and Goose Bay, but that

¹⁹ Note marginale :/Marginal note:
 Ditto. [A.D.P. Heeney]

²⁰ Note marginale :/Marginal note:
 Ditto. [A.D.P. Heeney]

Canada would insist upon joint custody and control, and joint authority over use. The President had seemed to raise no objection. Regarding the submarine base at Argentia, Mr. Diefenbaker said he had stated that Canada would require joint custody, but that use should be determined by N.A.T.O. He had further stated that, so long as serious disarmament negotiations continued, Canada did not propose to determine whether or not to accept nuclear weapons for the Bomarc bases or for the Canadian interceptors; but that, if such weapons were accepted by Canada, this country would require joint custody and joint control, and use would be determined in the same manner as on U.S. bases. Negotiations for the necessary agreements should now continue on the basis of a "package deal," no one agreement being signed before the others had been worked out. There would be no hold up if war should occur. The President had asked whether the same sort of "two key" arrangement as the United Kingdom had would be satisfactory and Mr. Diefenbaker had said it would.

5. *The Secretary of State for External Affairs* said that President Kennedy had indicated that the new U.S. government hoped to determine its basic policy on disarmament before participating in international discussions on the subject.

6. *The Cabinet* noted with approval the statement of the Prime Minister on his discussion with President Kennedy in Washington on the previous day on the storage of nuclear weapons in Canada.

...

334.

H.C.G./Vol. 10

*Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures*

*Minister of National Defence
to Secretary of State for External Affairs*

SECRET

Ottawa, March 1, 1961

My dear Colleague:

I refer to my letter of December 30, 1960 and your reply of January 13, 1961 on the subject of the provision of stockpiles of nuclear weapons for the Canadian forces.

Considerable time has now elapsed since your reply and I am wondering whether you are now prepared to discuss this problem. As the various programmes to provide carriers are continuing and their operational dates approach, I am anxious that we come to a decision on this matter of providing the warheads at the appropriate time in the weapon programme.

I would appreciate hearing from you in this matter.

Yours sincerely,

D.S. HARKNESS

335.

H.C.G./Vol. 10

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

SECRET

Ottawa, March 2, 1961

Dear Mr. Green:

When the Prime Minister returned from Washington last week he outlined in Cabinet the following day, Tuesday, February 21st, the substance of his talks with President Kennedy. Part of these dealt with the Canadian position on storage of nuclear weapons, and I thought you should have a note on what I propose to record on this matter.

Mr. Diefenbaker said he had stated that negotiations should continue regarding such storage Harmon Field and Goose Bay, but that Canada would insist upon joint custody and control, and joint authority over use. The President had seemed to raise no objection. Regarding the submarine base at Argentia, Mr. Diefenbaker said he had stated that Canada would require joint custody, but that use should be determined by N.A.T.O. He had further stated that, so long as serious disarmament negotiations continued, Canada did not propose to determine whether or not to accept nuclear weapons for the Bomarc bases or for the Canadian interceptors; but that, if such weapons were accepted by Canada, this country would require joint custody and joint control, and use would be determined in the same manner as on U.S. bases. Negotiations for the necessary agreements should now continue on the basis of a "package deal," no one agreement being signed before the others had been worked out. There would be no hold up if war should occur. The President had asked whether the same sort of "two key" arrangement as the United Kingdom had would be satisfactory and Mr. Diefenbaker had said it would.

You will remember that you pointed out that President Kennedy had indicated that the new U.S. government hoped to determine its basic policy on disarmament before participating in international discussions on the subject.

The Cabinet noted with approval the statement of the Prime Minister on his discussions with President Kennedy in Washington on the previous day on the storage of nuclear weapons in Canada.

It is my understanding that negotiations on the basis outlined above were to proceed forthwith.

I have written a similar letter to Mr. Harkness.

Yours sincerely,

R.B. BRUCE

336.

DEA/50210-F-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], March 10, 1961

NUCLEAR WEAPONS NEGOTIATIONS WITH THE U.S.A.

Last December Cabinet decided that negotiations might proceed with the U.S. Government on the acquisition of nuclear warheads for Canadian forces as soon as they could usefully be undertaken, and that the agreement on storage of air-to-air weapons at Goose Bay and Harmon should not be concluded until after discussions with the United States on other matters had been concluded.

2. In a brief conversation with me last week the Minister said that the Prime Minister now wished the various nuclear negotiations to be undertaken on the basis of a "package deal." The agreements would be negotiated but would not be put into effect until such time as the Government decided that such action was required. I assume that the elements of the "package" would be:

- (a) a general agreement or agreements regarding the establishment of stockpiles of nuclear warheads for Canadian forces in Canada and in Europe;
- (b) the Goose-Harmon agreement;
- (c) an agreement for the storage of naval nuclear weapons at Argentina.

I also assume that the United States request for permission to store SAC weapons at Goose Bay for "reflex strike" missions would be excluded from the package.

3. In my opinion the "package" should consist of a collection of separate agreements rather than melded into an omnibus agreement, because of the basic differences in the arrangements which would govern each situation.

4. It would be possible to carry out the three negotiations simultaneously but in my view it would be simpler to deal first with the stockpile agreement or agreements for Canadian forces, then revert to the Goose-Harmon agreement, and finally tackle the Argentina agreement. Such a procedure might take longer but perhaps this is not undesirable. Maybe it would be desirable, when the negotiations were completed, to have the "Package" reviewed by the Ministerial Committee on Joint Defence.

5. The following are points which should be considered in connection with the individual agreements:

Stockpiling of Nuclear Warheads for Use by Canadian Forces in Canada and Europe

6. At present the draft of this agreement is set up as an omnibus document covering requirements both in Canada and in Europe. There might be some advantage in splitting it so that if the Government wished to follow a different timetable at home and abroad it could do so.

7. The procedure which it is suggested should be followed in connection with negotiation of this agreement is as follows:

- (a) discussion of draft text between SSEA and MND;
- (b) submission of the agreed draft to Cabinet for approval as a basis for opening negotiations with the United States;

(c) Transmittal of the draft through the Canadian Embassy in Washington to the United States authorities for consideration, following which the regular process of negotiation would take place.

Storage for Air-to-Air Weapons at Goose Bay

8. Last July at Montebello the United States accepted the Canadian draft of a proposed agreement provided two points could be met:

(1) that provision be made to ensure that the weapons could be returned to the United States at any time at the request of the United States Government;

(2) that more formal status be given to the informal explanatory notes provided to the State Department by the Canadian Embassy regarding those paragraphs of the draft agreement dealing with joint responsibility for storage, release from storage, use of the weapons and their movement within Canada.

9. These points were set out in a draft memorandum to Cabinet after the Montebello meeting²¹ but so far as we are aware the memorandum was never submitted to Cabinet by SSEA. We were given to understand recently that the Minister had discussed the matter with the Prime Minister, who objected to point (2) above. If this is the position of the Government and if it is desired to re-open negotiations on this matter, presumably the next step would be to convey the position of the Government to the State Department so that it can decide whether or not it is prepared to conclude an agreement on terms acceptable to Canada. As a matter of timing and bearing in mind the fact that the State Department knows we have no intention of concluding the agreement for the present in any case, it would seem better to defer renewal of these negotiations for the time being.

Storage of Naval Nuclear Weapons at Argentina

10. There have been no formal negotiations on this matter, but it was discussed at Camp David and at Montebello. It should be possible to deal with this project by means of an agreement similar to that for Goose and Harmon, but there is the additional problem of what control, if any, Canada would wish to exercise on weapons transferred from the storage site at Argentina to U.S. ships which then leave Canadian territorial waters. In essence this is the same problem faced by the United Kingdom in connection with Polaris submarines based on the Clyde. Perhaps it might be possible to evolve a formula whereby operational responsibility would pass to SACLANT when ships left Canadian territorial waters.

[W.H. BARTON]

337.

DEA/50210-F-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], March 15, 1961

NUCLEAR WEAPONS

You will recall that under cover of your memorandum to the Minister of February 6† you forwarded to him some comments we had prepared on the draft agreement on general

²¹ Au sujet de la rencontre de Montebello, voir Volume 27, document 302.
On the Montebello meeting, see Volume 27, document 302.

principles governing the stockpiling of nuclear weapons for Canadian forces in Canada and in Europe.†

2. During your absence in Washington the Minister called in Mr. Ignatieff and Mr. Tovell to discuss the matter. Mr. Green was of the opinion that the draft agreement as it stood was not sufficiently detailed, particularly on the various aspects of joint control and wished these to be amplified. He was also of the view that since the Prime Minister envisaged a “package deal” we should aim at an omnibus agreement rather than proceed along the lines we have been following, namely an agreement on general principles followed by separate intergovernmental agreements for each type of warhead and/or weapons system.

3. The upshot of the discussion was that before the Minister accepts Mr. Harkness’ invitation to discuss the agreement on general principles together, this division should, without consultation with National Defence:

(a) revise the present draft of the general agreement, particularly those paragraphs dealing with joint responsibility for storage, joint control over release from storage and joint control over use in order to make them as detailed as possible with regard to each type of warhead;

(b) work up a draft of the separate agreement to cover warheads for the BOMARC;

(c) work up a draft agreement on storage at Argentina.

We are currently engaged in these three tasks on a priority basis.

4. During the course of the meeting the Minister suggested that the Goose-Harmon draft should also be incorporated in the omnibus agreement. Mr. Ignatieff, however, expressed the view that storage at Goose and Harmon like storage at Argentina are readily separable from any omnibus agreement or agreements dealing with stockpiling for Canadian forces. The Minister agreed that this matter should be left in abeyance until at least such time as he has had a chance to see the further drafts which we are preparing for him.

W.H. BARTON

338.

DEA/50210-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], March 23, 1961

NUCLEAR NEGOTIATIONS WITH THE U.S.A.

Pursuant to your discussion with Messrs. Ignatieff and Tovell last week we have prepared and attach under Tab. A for your consideration a draft of an “all-embracing” form of agreement to cover the establishment of stockpiles of nuclear weapons for Canadian forces in Canada and Europe.† It consists of the following:

(a) a covering diplomatic note;

(b) an annex setting out the general conditions which would apply (this is based on the draft “general agreement” proposed by the Department of National Defence but incorporates some drafting changes);

(c) a series of schedules to accompany the annex setting out the detailed control arrangements to govern the storage, release from storage, and employment of weapons by Canadian forces in Canada and Europe. Schedules have been prepared for the BOMARC, naval weapons for the RCAF and RCN, Honest John, and weapons for the Air Division in Europe. It should be

emphasized that these draft schedules are intended to be illustrative only, as they represent only External Affairs ideas on what should be in them, and have not been discussed with National Defence, which no doubt would argue that insufficient technical information is available at this time to discuss this aspect of the negotiations.

2. Also attached under Tab. B, in accordance with your request, is a draft agreement regarding the storage of naval nuclear weapons at Argentia to meet U.S. requirements.† It is modelled on the draft agreement regarding storage of air-to-air nuclear weapons at Goose and Harmon, but with some important differences, as follows:

(a) paragraph 6 of the draft agreement provides that the weapons would only be used in situations of grave emergency in accordance with the plans and procedures governing the operations of ACLANT (this means that NATO alert procedures, and the obligation to consult the NATO Council if time permitted, would apply), but limits specific Canadian approval of use to Canadian territory;

(b) paragraph 7 requires specific Canadian approval of the release of the weapons from storage, but also, in conjunction with paragraph 8, imposes the consequent obligation on Canada to provide the means of communication necessary to ensure that such approval can be obtained very rapidly.

3. There are two main points on which we anticipate difficulties with the U.S.A. in the negotiations on the various nuclear agreements:

(a) *Description of Arrangements for Storage*

We do not anticipate that the U.S.A. will quarrel with the substance of the arrangements we have suggested on storage, but we anticipate that they will once again seek to describe their part of the arrangements in terms of U.S. “custody” of the warheads. We have been successful in gaining acceptance of our view by U.S. officials in connection with the negotiations to date of the proposed agreement on Goose and Harmon, but in that case the warheads are intended for use by U.S. forces. They may be less willing to accept our formula in its application to warheads intended for use by Canadian forces, especially for those in Europe;

(b) *Arrangements for Release of Warheads for Use in Event of Emergency*

The U.S.A. is not expected to challenge the Canadian right to have an equal voice in the decision to release the warheads for use when there is sufficient time to carry out the necessary consultations, but they will also press us to agree that in event of emergency, when decisions would be required in a matter of minutes, the authority should be delegated to the appropriate commander, i.e. CINCNORAD, SACEUR or SACLANT. It would seem to us that we have two choices in this connection, – either we agree to delegate such authority, or alternatively we establish a rapid communications system similar to that used by the United States to ensure that key ministers and officials can be contacted at once, at any time of the day or night, wherever they may be. Such a system is expensive and onerous for those involved, but it can be set up. The various schedules to the stockpile agreement, and also the Argentia agreement, have been drafted on the assumption that you would prefer to have such a system rather than agree to any delegation of authority, but the implications of this course of action should be fully appreciated. It would mean accessibility of the responsible Ministers at all times.

4. Although we have drafted the stockpile agreement in an “all-embracing” form so that the totality of what is involved can more easily be appreciated, it is suggested that further consideration should be given to the form in which we take it up with the United States. One question, for example, is whether it would be more advantageous to the Canadian Government to have two agreements – one dealing solely with requirements of our forces in Canada and the other with requirements in Europe, either one of which could be implemented or terminated without reference to the other. A second point relates to the schedules setting out the detailed arrangements applying to different weapons systems. We believe that we should not be the

first to “show our hand” on what we think should be in the schedules, but rather that we should try to get the U.S.A. to produce drafts for us to comment on. This will give us information which we do not now have on the technical considerations involved, and make it possible for us to propose revisions incorporating the features which we consider to be essential in a form corresponding to technical requirements.

5. If it is decided to open negotiations along the lines set out above it is suggested that action might be taken concurrently to initiate technical studies on the establishment of a rapid communications system.

6. There is a further point of some importance which will require classification. Basing ourselves on the views you expressed in your discussion with Mr. Ignatieff on March 11, we have prepared in the attached draft a “package” made up entirely of Canadian requirements, both in Canada and Europe. It can, however, be expected that if we introduce the notion of a “package” in future discussions with the U.S.A., they will in turn wish to have the package broadened to include all U.S.A. requirements in Canada. The U.S.A. portion of the package would almost certainly include agreements on the storage of air-to-air defensive nuclear weapons at Goose and Harmon, and the storage of naval weapons at Argentia – requirements which they have repeatedly attempted to negotiate separately with the Canadian authorities. In addition to these agreements, we must expect the U.S.A. to ask to have included in the package an agreement for the storage of SAC weapons at Goose Bay for what they call “reflex strikes” i.e. for picking up a second load of bombs after the first SAC strike has been delivered. It is therefore important that on the Canadian side there be a clear idea of how far we are prepared to carry the “package” concept and to what extent we are ready to entertain an American content in the package.

N.A. R[OBERTSON]

339.

DEA/50210-F-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], March 30, 1961

My dear Colleague,

Further to my letter of February 15, I have had an opportunity to study the proposed agreement with the United States Government governing the provision of stockpiles of nuclear warheads for Canadian forces, a draft of which you forwarded under cover of your letter of December 30.

The feature of this draft which in my opinion calls for particular consideration is contained in paragraph 3 of the Annex, which reads:

“The procedures under which the nuclear warheads will be released from the storage sites to meet logistic or operational requirements will vary depending on the types of weapons and the operational theatres in which they are to be employed. These procedures will be the subject of separate inter-governmental agreements and will be based on the principles of joint responsibility.”

Since the conclusion of this agreement might be regarded as constituting an undertaking in principle on the part of Canada to acquire nuclear weapons, I think it is essential that we know in advance all the implications and obligations involved. This, in my view, will not be possible

if we leave the important question of control over the release of weapons to be dealt with subsequently by means of supplementary agreements. It is my understanding that this is what the Prime Minister had in mind when he indicated to President Kennedy that he would wish to proceed on the basis of a package.

Following this approach, I think that the first step should be to prepare a revision of the draft agreement in such a way that it would deal with this problem as a whole by providing that the detailed procedures governing storage, release from storage, and authorization of use of the various weapons systems should be set out in a series of schedules, one for each type of warhead to be made available, which would form an integral part of a comprehensive agreement. I realize that we may not at this time have all the information necessary to prepare such schedules, but I think it would be useful if the officials of our two Departments could now meet to work out the preliminary outline of a comprehensive agreement so that we can be clear in our own minds as to which features would be essential from the Canadian point of view. In this connection, my officials have already done a certain amount of preliminary drafting.

Perhaps the Chairman, Chiefs of Staff would be good enough to get in touch with the Under-Secretary of State for External Affairs with a view to arranging a meeting.

Yours sincerely,

H.C. GREEN

340.

DEA/50210-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], April 7, 1961

NUCLEAR WEAPONS POLICY

You will recall that you wrote to the Minister of National Defence under date of March 30 suggesting that officials of the two Departments meet to work out the preliminary outline of a comprehensive agreement which would deal with all the facets of storage, release from storage and use of the various types of nuclear warheads which might be made available to the Canadian forces. Your letter also suggested that the Chairman, Chiefs of Staff might get in touch with the Under-Secretary with a view to arranging a meeting.

You would wish to know that this morning Mr. Ignatieff, Mr. Barton and Mr. Tovell met with Air Marshal Miller and other senior officers of the Department of National Defence to discuss in a general way the approach which you suggested in your letter to Mr. Harkness. Air Marshal Miller readily agreed that it was essential that Ministers should be fully aware of all the implications of any proposed agreement. In order to determine how best this could be done with the limited information available on the weapons concerned, officials of the two Departments will meet again next week with a view to preparing some material which could form a basis for consideration by you and Mr. Harkness.

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

341.

DEA/50210-F-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures,
pour le chef de la 1^{ère} Direction de liaison avec la Défense*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Head, Defence Liaison (1) Division*

Ottawa, April 8, 1961

Mr. Barton,

Although the Minister did not re-read the material,† I have had a further word with him about it. He stated that he had in fact studied the drafts very carefully, was completely satisfied with them as a starting point for negotiation with DND and was prepared to back you up as necessary as the talks progressed.

R. C[AMPBELL]

342.

H.C.G./Vol. 10

*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 25, 1961

ACQUISITION OF NUCLEAR WEAPONS FOR CANADIAN FORCES

You will recall that you wrote to the Minister of National Defence on March 30 suggesting that officials of the two departments meet to work out the preliminary outline of a comprehensive agreement, which would deal not only with the general arrangements governing the supply of nuclear weapons but would also include a series of schedules setting out the detailed control arrangements for each weapons system.

2. We have now held two meetings with Air Marshal Miller and officers of his staff. At the first meeting, on April 7, we explained in detail the approach suggested in your letter to Mr. Harkness. At the second meeting, on April 24, Air Marshal Miller commented on the proposals we had put forward earlier and made some counter-suggestions as to the procedure which might be followed.

3. Air Marshall Miller said that the basis of his position was that while Ministers should be made fully aware of all the implications of whatever arrangements are proposed for the supply of nuclear weapons and while the Government should approve and maintain control over any operations by Canadian forces involving nuclear weapons, he did not believe that it was either appropriate or desirable to spell out in diplomatic agreements with the United States the details of control procedures which were purely a Canadian concern.

4. It was on these grounds that he criticized the draft schedules which we had prepared. He said that once the United States authorized release of the weapons the question of what our forces did with them thereafter was purely one for decision by the Canadian Government. He felt that our draft schedules included procedures which were of concern only to Canada.

5. Air Marshal Miller then said that he had checked with the United States military authorities on the forms of agreements which the United States requires. These are:

(a) a government-to-government agreement setting out the general principles which would govern the provision of the warheads (a “general agreement”);

(b) a series of supplementary technical agreements setting out the detailed arrangements for storage, maintenance, custody and control of individual weapons systems, to be concluded between the designated Canadian authority and the United States field commander concerned, i.e., SACEUR (in his capacity as Commander of United States forces in Europe), SACLANT (acting as commander of the United States Atlantic Fleet), and CINCNORAD (in his capacity as head of United States air defence forces). A copy of a typical technical agreement has been obtained from the United States authorities by the Chairman, Chiefs of Staff and is attached.†

6. Air Marshal Miller pointed out that since the substance of the technical agreements is dependent on the general agreement, and since we have no assurance at the present moment that our draft of the general agreement is acceptable to the United States, it would be difficult to negotiate the technical agreements with the Commanders concerned until some understanding has been reached with the United States on the form and substance of the general agreement. Nevertheless he felt that it would be possible for us to conform to the pattern of agreements established by the United States and at the same time follow a procedure which would ensure that the Canadian Government would not have to commit itself to part of the “package” without having considered and approved the whole.

7. The procedure which Air Marshal Miller suggests should be followed is as follows:

(a) The “general agreement” would be negotiated with the United States authorities on the clear understanding that any language agreed upon is dependent upon the satisfactory subsequent negotiation of the various supplementary technical agreements. The general agreement would not be signed at this stage, but merely worked out to the point which would make it possible to proceed to the negotiation of the technical agreements.

(b) Although the United States Government delegates to commanders such as SACEUR, SACLANT and CINCNORAD (acting in their U.S.A. capacity) the responsibility for negotiating technical agreements, Air Marshal Miller recognizes that so far as the Canadian Government is concerned it would no doubt wish to maintain direct supervision over its negotiating representatives, and that any agreement would have to be approved specifically by the Government.

(c) When the drafts of the general agreement with the United States Government and the supplementary technical agreements with United States field commanders have all been worked out the Canadian Government can look at them as a “package” and decide at the time whether it wishes to sign them, or to wait until in its judgment the circumstances make such a decision necessary.

8. Finally, Air Marshal Miller proposed that we jointly prepare a draft memorandum for Cabinet seeking authority to proceed with negotiations in accordance with the procedure outlined above. The memorandum would be accompanied by an explanation of the way in which the Department of National Defence envisages the control of nuclear weapons by the Canadian Government would be exercised. In addition, the draft general agreement and sample technical agreement would be appended.

9. We made it clear that while we were prepared to put to you the reasons why National Defence favoured supplementary agreements rather than schedules forming an integral part of the main agreement, we could give no assurance that such an approach would be acceptable. We also specified that if supplementary agreements were to be negotiated they would have to be on a Government-to-Government basis. If the U.S. Government wished to designate a military commander as its negotiating agent that was its business, but so far as we were

concerned, the Canadian negotiating authority would be that which customarily deals with policy matters of this importance.

10. With respect to Air Marshal Miller's proposal as described in paragraph 8 above we agreed to assist in preparing the necessary documentation as a means of facilitating further consideration of the matter by you and Mr. Harkness. However, we emphasized that this did not mean that the proposal was acceptable to you or that you would be prepared to go further with it.

11. This memorandum is intended only as an interim report pending preparation of the draft submission to Cabinet referred to above. When it is completed and you have had an opportunity to study it you may wish to give us further instructions.

G.I.[GNATIEFF]
for Under-Secretary of State
for External Affairs

343.

H.C.G./Vol. 10

*Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures*

*Minister of National Defence
to Secretary of State for External Affairs*

TOP SECRET

Ottawa, [May 2, 1961]

My dear Colleague:

I refer to your letter of 30th March regarding the proposed agreement with the United States government governing the provision of stockpiles of nuclear warheads for Canadian forces. Since that time, as you know, several discussions have taken place between the Chairman, Chiefs of Staff and Mr. Ignatieff of your Department.

As a result of your proposals and the later discussions, I have had prepared an Aide Mémoire on the subject outlining the position as we see it and indicating my own views on procedures that should be followed. A draft memorandum to Cabinet† has also been prepared and copies of both of these papers are attached. It is hoped that these papers will be useful as a basis for our forthcoming discussion.

Yours sincerely,
D.S. HARKNESS

[PIÈCE JOINTE/ENCLOSURE]

*Projet d'un aide-mémoire**Draft Aide-Mémoire*

TOP SECRET

PROPOSED AGREEMENT WITH THE UNITED STATES GOVERNING THE PROVISION
OF STOCKPILES OF NUCLEAR WARHEADS FOR CANADIAN FORCES

1. On December 6, 1960, the Cabinet agreed "that discussions (or negotiations) with the U.S. Government concerning arrangements for the essential acquisition of nuclear weapons or warheads for use by the Canadian Forces, in the manners already decided, may proceed as

soon as they can be usefully undertaken but the acceptance of joint controls to be a basic principle.”

2. On December 30, the Minister of National Defence wrote to the Secretary of State for External Affairs recommending that, in keeping with the above Cabinet decision, action be taken in the latter part of January 1961 to initiate negotiations along the lines of the attached draft agreement (Appendix “A”)† which incorporates the features, including joint control, agreed upon in December 1959 by the Panel on the Economic Aspects of Defence Questions.

3. On March 30, 1961, the Secretary of State for External Affairs replied to the Minister of National Defence proposing that any overall agreement with the U.S. should include the detailed procedures governing storage, release from storage and authorization of use of the various weapons systems. This was desired to ensure that the full implications and obligations of the general agreement would be known in advance of it being signed. To give effect to this proposal a new draft agreement was prepared containing schedules (detailed procedures) for each type of nuclear warhead or weapon system contemplated.

4. The steps required to provide the Canadian Armed Forces with the capability of employing nuclear weapons, as indicated by the U.S. Joint Chiefs of Staff (copy of memorandum of 1 May 59 from the Chairman, Joint Chiefs of Staff is attached as Appendix “B”),† were as follows:

(a) Step one was described as a government-to-government exchange of notes covering general principles relative to provision of US atomic weapons to Canada. This exchange would cover such things as the broad requirements for US custody and control, Canadian responsibilities for provision of storage facilities, security and broad system safety requirements. Insofar as the exchange of notes may apply to forces committed to NATO, it should be consistent with the NATO Atomic Stockpile Concept. In addition, these general principles should be sufficiently broad to apply to any atomic weapons system contemplated for use by Canadian forces.

(b) Step two was the conclusion of detailed technical agreements pertaining to custody and control accomplished on a bilateral basis with the US Commanders concerned, i.e., CINCLANT, USCINCEUR, and CINCONAD. In the US view, these detailed technical arrangements would normally be developed between the Canadian Field Commander concerned and the US Commander concerned, e.g. AOC 1 Air Div and USCINCEUR.

5. If agreement with a third country is required, it is understood that this would be provided by an annex to the intergovernmental agreement covering general principles i.e., step one above.

6. It was anticipated that step one, the main agreement, would set forth the principles which would guide preparation of the Supplementary Technical Arrangements for particular weapons and weapons systems. To incorporate in the main agreement details regarding specific weapons systems would be undesirable on at least two counts:

(a) The whole agreement would need to be amended each time there was any change in weapons to be employed or in the manner of their deployment and employment, and

(b) Detailed discussions would be required at the outset with third parties who, individually, would have a legitimate interest in only one aspect of the whole agreement. Furthermore, these detailed discussions would be taking place before there was any agreement in principle between the two main parties to the agreement.

7. Attached as Appendix “C”† is an example of the possible content of the supplementary technical arrangements which will need to be negotiated with specified US Theatre Commanders. Though the US has indicated that the US Theatre Commanders concerned will be responsible for making such detailed arrangements, the Canadian Government can, of

course, make such agreements at any Canadian level of authority desired. This might for instance, result in agreements between the Canadian Government on the one hand and specified US Commanders (e.g. US CINCEUR) on the other.

8. It is appreciated that the Government will wish to understand thoroughly all of the implications in any undertaking on the part of Canada to acquire nuclear weapons, particularly those relating to control. Attached as Appendix "D"† is a description of the procedures which it is understood would be involved in releasing nuclear weapons from custody and exercising control over them. It will be noted that these procedures are fundamentally the same for each weapon and weapon system but there will of course be some differences in detail in respect to the precise points at which control will be exercised.

9. In summary, the present position is as follows:

(a) Negotiations with US officials regarding the acquisition and storage of defensive nuclear weapons and warheads for the use of Canadian Forces were first approved by Cabinet in October, 1958, and began in November, 1958. Conduct of these negotiations was again approved by Cabinet in December, 1960.

(b) In December, 1959, the Panel on Economic Aspects of Defence Questions forwarded a draft agreement for Ministers' consideration. In later consultation with officials of the Department of External Affairs, this draft was slightly revised and put in the form forwarded by the Minister of National Defence to the Secretary of State for External Affairs on December 30, 1960. This draft agreement prescribes the general principles and conditions which would govern the provision of stockpiles of nuclear weapons for the Canadian Forces but does not cover all of the detailed arrangements. It could be made clear to the US authorities, however, that Canadian acceptance of the terms of such a general agreement would be contingent upon the completion of negotiation of satisfactory supplementary arrangements or agreements.

(b) Since the contents of any supplementary agreements covering particular weapons would be dependent on the terms of the general agreement, drafts of the supplementary agreements should not be prepared until some understanding is reached with the US on the acceptable content of the main agreement. As indicated above, formal conclusion of the main agreement can be deferred, if desired, until the supplementary arrangements have been worked out.

(d) Timing is already critical if nuclear warheads are to be available, if required, in the same time period in which their carriers will be deployed with the Canadian Forces. Further discussion with the U.S., as approved by Cabinet on December 6, 1960, is, therefore urgently needed.

Conclusions

10. Negotiations should now be initiated with the US authorities on the following basis:

(a) The first step should be to reach an understanding with the US authorities on the text of a general agreement along the lines indicated in the draft attached as Appendix "A" to this Aide Mémoire. This understanding would be preliminary only and conditional upon satisfactory completion of the later phases of the negotiations.

(b) When an understanding has been reached on the text of a general agreement, preliminary negotiations would begin on the texts of supplementary technical agreements to cover the various weapons systems, (i.e., Bomarc, Honest John, air-to-ground weapons for No. 1 Air Division RCAF, and maritime nuclear weapons for RCN and RCAF) required by the Canadian Forces. These negotiations would be conducted by appropriate Canadian representatives with the US Theatre Commanders concerned, i.e., CINCONAD, US CINCEUR and CINCLANT.

(c) The final phase of negotiations would consist of ministerial consideration of the overall arrangements (i.e., the draft general agreement and the supplementaries) as an entity.

344.

DEA/50210-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], May 2, 1961

ACQUISITION OF NUCLEAR WEAPONS FOR CANADIAN FORCES

We have studied the documents which Mr. Harkness has sent to you under cover of his letter of May 2. The following notes on the main points of difference between the Department of National Defence's position and that of External Affairs are supplementary to the comments in my memorandum to you of April 25.

2. Form of the Agreement

External Affairs

There should be an all-embracing agreement consisting of a general statement of terms or conditions to which would be annexed a series of schedules setting out the detailed procedures governing storage, release from storage and authorization of use of the various weapon systems to be acquired from the United States. This would ensure that all elements of the agreement are considered in relation to each other and concluded at the same time, on an inter-governmental basis.

Department of National Defence

We should first negotiate with the United States Government on a preliminary basis the text of a General agreement and carry these negotiations to the point at which sufficient agreement is reached to make it possible to proceed with some assurance with the negotiation of supplementary technical agreements with the appropriate U.S. military commanders.

Comment

3. The aide mémoire accompanying Mr. Harkness' letter advances two reasons against the procedure suggested by External Affairs (see paragraph 8):

- (a) The whole agreement would need to be amended each time there was any change in weapons to be employed or in the manner of their deployment and employment; and
- (b) Detailed discussions would be required at the outset with third parties who, individually, would have a legitimate interest in only one aspect of the whole agreement. Furthermore, these detailed discussions would be taking place before there was any agreement in principle between the two main parties to the agreement.

4. We do not think there is any substance to either of these objections. Changes of the type referred to in (a) above would not necessitate amendment of the whole agreement but only of the particular schedule involved. In any case deployment and employment of nuclear weapons are matters of policy and changes should require inter-governmental consideration rather than being dealt with merely as administrative measures. There is no reason why either of the criticisms advanced in (b) above need apply, but even if they did we don't see that they are of sufficient importance to weigh very heavily.

Basis of Negotiation

5. We suggest that in order that there should also be an understanding between the two Departments before any negotiations are undertaken there should be agreement on the following points which should govern our approach to the Americans:

(a) The U.S. authorities should be informed at the commencement of the negotiations that the decision of the Canadian Government to enter into discussions should not be interpreted to mean that it has decided to acquire nuclear warheads but rather that it wishes to put itself in a position to be able to do so rapidly if at any time in the future such action should be deemed necessary.

(b) Only after the master agreement and its schedules (or supplementary agreements) have been negotiated will the Government consider the question of acquiring nuclear warheads, taking into consideration not only progress on the control problem but also on disarmament.

(c) The U.S. authorities should also be informed that the Canadian Government considers that the subject matter which it is understood is customarily covered by supplementary service-to-service agreements negotiated between the U.S. commander concerned and the military representative of the receiving country is of such importance that the Canadian Government wishes it to be dealt with and concluded at an intergovernmental level.

Comment

6. The Department of National Defence has not agreed specifically with the points set out in (a), (b) and (c) above but does agree (in paragraph 8b of its aide mémoire) that it could be made clear to the U.S. authorities that Canadian acceptance of the terms of a general agreement would be contingent upon the completion of negotiation of satisfactory supplementary arrangements or agreements.

7. We are inclined to think that if the Canadian position is based on paragraph 4 above, the question of whether the detailed arrangements are incorporated as schedules to the general agreement or take the form of separate supplementary intergovernmental agreements would be a matter of form rather than of substance.

Master or General Agreement

8. Attached to Mr. Harkness' letter as Appendix "A" is a draft of the general agreement. This is the same draft as that which he forwarded to you under cover of his letter of December 30.²² This draft, you will recall, was revised in this Department and a new version was forwarded to Mr. Harkness under cover of your letter to him of March 30. A copy of this version was attached to our memorandum to you of March 23 (the original of which is enclosed) and will be found at tab "A". The most important changes, apart from the difference of approach reflected in the covering note, will be found in paragraphs 2, 4, 5, 6 and 7 of the proposed annex of the draft dated March 23. Mr. Harkness has not commented on these suggested changes, nor did Air Marshal Miller in our discussions with him.

Draft Memorandum to Cabinet

9. Also included in the documentation which Mr. Harkness has forwarded is a draft memorandum to the Cabinet seeking authority to proceed with the negotiations with the United States on the basis of the procedure favoured by the Department of National Defence. You will note that this memorandum would be submitted by you as well as Mr. Harkness. Apart from the fact that this procedure proposed in the memorandum would not appear to reflect your views, it seems to us that it is open to one objection in particular: it is concerned with procedure only and does not attempt, as it should, to deal with any of the substantive aspects of

²² Voir/See Volume 27, document 277.

the question, especially the basis upon which the negotiations should take place as set out in paragraph 4 above, and the question of controls, to which the Government attaches importance. No doubt the Department of National Defence intends that this last point would be taken care of by the paper attached as Appendix "D" and entitled "Procedures Involved in the Exercise of Control, Responsibilities for Nuclear Weapons Allocated to Canadian Forces." However, we doubt that it meets the requirement you specified, namely that Ministers should know in advance the implications and obligations involved for Canada. The following are examples:

(a) The paper states that the Canadian commanders concerned, in communication with the Canadian Government on an established channel, will require its approval to employ nuclear weapons. However, no attempt is made to spell out how this would work in practice. We think that Ministers would wish to have pretty specific information on this point, particularly with respect to the Air Division in Europe because of the strike-reconnaissance role of the CF104. The Department of National Defence will no doubt argue that it would be premature to outline detailed procedures at this time because not enough information is currently available, but even so we think it should be possible to give a more complete explanation of how the system might be expected to work in practice.

(b) On page 2 of the paper there is a reference to the need for instantaneous communications channels between the President or Commander-in-Chief concerned, the Canadian Government and the Canadian military authority most directly concerned with the employment of the weapon system. This is a most important point, with serious implications for those members of the Government who would have to be immediately available at any time of the day or night. Moreover the cost of such a system will be high. Perhaps now is the time to indicate more fully to Cabinet what is involved in the establishment of such a system.

Sample Supplementary Technical Arrangement

10. Attached as Appendix "C" to the aide mémoire from the Department of National Defence is a sample of the type of supplementary technical agreement negotiated between U.S. theatre commanders and the military representatives of other NATO governments. In paragraph 7 of the aide mémoire the Department of National Defence indicates that this sample agreement is an example of the supplementary arrangements which will need to be negotiated with specified U.S. theatre commanders. It goes on to suggest that although the U.S. has indicated that the U.S. theatre commanders concerned will be responsible for making such detailed arrangements, the Canadian Government can make such arrangements at any level of authority desired, so that the end result might be agreements between the Canadian Government on the one hand and specified U.S. commanders on the other. Our position, of course, as set out in paragraph 4 above, is that we should make it clear at the outset that all negotiations must be on a government-to-government basis.

Heads of Government Discussion

Finally, you may wish to discuss with Mr. Harkness the question of what the Prime Minister might wish to say to President Kennedy when the latter visits Ottawa. The line which has been followed with your approval at the last two meetings of the PJB is that consultations are in progress between the Canadian departments concerned with a view to initiating discussions with the United States authorities as soon as they can usefully be undertaken.

G. IGNATIEFF
for Under-Secretary of State
for External Affairs

345.

DEA/50210-F-40

*Le ministre de la Défense nationale
au secrétaire d'État aux Affaires extérieures*

*Minister of National Defence
to Secretary of State for External Affairs*

SECRET

[Ottawa], May 4, 1961

My dear Colleague:

As a result of our discussion yesterday my understanding is that the following procedure is agreed:

(a) You will have prepared a memorandum to Cabinet summarizing the present status of the proposed agreement with the United States governing the Provision of Stockpiles of Nuclear Warheads for Canadian Forces. This memorandum to Cabinet will indicate the basis on which negotiations with the United States should be resumed.

(b) The draft of the proposed agreement with the United States forwarded with your letter of March 30th, but less the attached schedules, will be proposed as the basis of the Canadian position in further negotiations and will be appended to the memorandum to Cabinet.

(c) Also accompanying the memorandum to Cabinet will be examples of the kinds of supplementary agreements which will be required in respect of particular weapon systems in the theatres concerned illustrating the present Canadian understanding as to the kinds, etc. These, however, will be examples only for the purpose of informing Cabinet of the sort of content we believe will need to be included in supplementary detailed agreements. It will be understood that our own knowledge in this respect is limited and that the actual content can only be developed in further negotiations.

(d) Officials of our two departments will cooperate in the preparation of the illustrative examples referred to above.

It is also my understanding that it is intended that the memorandum to Cabinet will be accompanied by a draft of the proposed agreement relating to the storage of defensive nuclear weapons at Goose Bay and Harmon Air Force Base for use of U.S. Air Defence Squadrons.

Yours sincerely,

D.S. HARKNESS

346.

DEA/50210-F-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], May 5, 1961

ACQUISITION OF NUCLEAR WEAPONS
FOR CANADIAN FORCES

On May 3 I met with the Minister of National Defence and officials of the two Departments regarding the question of an agreement with the United States on the acquisition of nuclear weapons.

It has been the understanding of the Department of External Affairs that we should negotiate with the United States Government on a package deal basis, involving an agreement with schedules or annexes dealing with different features, such as the warheads for the Bomarc, weapons for the Air Division and the warheads for Honest John, the latter two being for our NATO forces in Europe. A document was prepared by the Department of External Affairs with this in mind.

The Department of National Defence, on the other hand, thought there should be an understanding with the United States on a general agreement, leaving the agreements on particular weapons to be negotiated subsequently between the Canadian authorities and the appropriate United States Commander in accordance with the letter of May 1, 1959, from General Twining to the Chairman of the Canadian Chiefs of Staff, which is attached,† and also based on the standard United States NATO agreement, likewise attached.†

Eventually the two Departments agreed to draw up a basic agreement with annexes, realizing, however, that there might have to be considerable variation in the course of the negotiations with the Americans because Canada does not have all the detailed information necessary.

The officials of the two Departments are now busy working out the first draft and I hope to have a look at it on my return on May 16.²³

H.C. G[REEN]

347.

DEA/50210-F-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, May 5, 1961

My dear Colleague:

Just before leaving for Oslo, I received your letter of today's date regarding our meeting of May 3 when we discussed the procedures for further consideration by our two Departments of drafts of proposed agreements dealing with the provision of stockpiles of nuclear warheads for Canadian forces.

My recollection of what was agreed does not entirely accord with yours. As the next step I thought we agreed that we should bring the Prime Minister up-to-date on the preparatory work which has been done on this matter by our two Departments. With that in view, we would submit to him the agreed draft of the general agreement with schedules attached to it and not, as you suggest, "less the attached schedules."

It was also my understanding that the officials of the two Departments would cooperate in the preparation of the draft schedules based on the original drafts prepared in this Department together with the information obtained from the standard United States draft for NATO arrangements in Europe. These drafts would contain the points which, from the Canadian point of view, should be included, and these would constitute an integral part of the Canadian negotiating position to be submitted to Cabinet in due course. It would be made plain that these

²³ Note marginale :/Marginal note:

Noted by Prime Minister. H.B. R[obinson] May 9/61.

schedules might have to undergo considerable change in the course of negotiations because of our present lack of full technical information.

Finally, it was my understanding that we would not, at this stage, attempt to include in this first draft of a package proposal, any draft agreement relating to the storage of defensive nuclear weapons at Goose Bay and Harmon.

Before leaving, I asked my officials to contact yours with a view to proceeding as outlined above and I hope to have a look at the results on my return on May 16.

I am sending an interim memorandum to the Prime Minister and enclose a copy thereof.

Yours sincerely,

H.C. GREEN

348.

DEA/1415-N-40

*Note du secrétaire du Cabinet
pour le premier ministre*

*Memorandum from Secretary to Cabinet
to Prime Minister*

SECRET

[Ottawa], May 15, 1961

SUGGESTED POINTS FOR DISCUSSION WITH PRESIDENT KENNEDY

I attach hereto brief notes on a number of the subjects on which you said such points should be prepared for your discussions with President Kennedy.† These are in highly summarized form and you may feel that they are too brief.

I have not covered the two subjects on which you said you would talk purely yourself to the President – i.e. Canada's position on foreign aid and Canadian policy on nuclear weapons. On these, as on the other points, it will be necessary for us to have an agreed line to be taken in answer to press questions and I would like to discuss this with you later. I shall make ready some points for the press in addition to these points for discussion.

As I indicated this morning, I think there would be virtue in Mr. Norman Robertson, Mr. Robinson and I talking these matters over with you later today. You may prefer to do it tomorrow. I should let you know that I will be unavoidably absent from about 9.45 until perhaps 11.30 tomorrow morning for a medical appointment.

R.B. B[RYCE]

349.

H.C.G./Vol. 10

*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 31, 1961

ACQUISITION OF NUCLEAR WEAPONS
FOR CANADIAN FORCES

You will recall that at your Meeting with the Minister of National Defence on May 3rd it was agreed that the two Departments would draw up Schedules for each type of warhead.

2. The Department of National Defence prepared a first draft of each of these schedules. These drafts were extensively revised by officials of this Department in order to try to make them consonant with your views and more consistent with the general principals contained in the Annex to the main Exchange of Notes.

3. We have now been informed that these redrafts, copies of which are attached,† are acceptable to the Department of National Defence. Accordingly, I should be grateful for your instructions as to what further action you wish taken in this matter.²⁴

G. I[GNATIEFF]
for Under-Secretary of State
for External Affairs

350.

DEA/50210-F-40

*Le sous-secrétaire d'État aux Affaires extérieures
au président du Comité des chefs d'état-major*

*Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff*

SECRET

[Ottawa], July 31, 1961

Dear Air Marshal Miller,

NEGOTIATIONS WITH THE U.S. CONCERNING THE PROVISIONS
OF STOCKPILES OF NUCLEAR WEAPONS FOR CANADIAN FORCES

As you know, this Department prepared on the basis of material supplied by your officers, draft schedules to the proposed General Agreement with the United States on the above subject. These were submitted informally to your officers for their comments last May and they are now in the process of being reviewed by my Minister.

Prior to leaving for the west coast on holiday, Mr. Green asked me to obtain your comments on the following documents, of which 3 copies of each are attached, which he has approved:

- (a) a draft Memorandum to the Cabinet
- (b) a draft General Agreement
- (c) a draft Schedule "A".

Time did not permit him to review Schedules "B", "C" and "D" and I cannot therefore send them to you at this stage. I will do so, however, as soon as possible after they have been approved by him.

The various changes which Mr. Green would like made to the enclosed drafts are too numerous to list here. However, Mr. Tovell of this Department would be prepared to go over these with you and your officers any time at your convenience.

Yours sincerely,

N.A. ROBERTSON

²⁴ Le ministre a apporté des modifications majeures aux nouvelles ébauches.
The Minister made extensive revisions to the redrafts.

351.

DEA/50210-F-40

*Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures*
*Chairman, Chiefs of Staff,
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, August 8, 1961

Dear Mr. Robertson:

NEGOTIATIONS WITH THE U.S. CONCERNING THE PROVISION
OF STOCKPILES OF NUCLEAR WEAPONS FOR CANADIAN FORCES

This will acknowledge receipt of your letter of July 31st forwarding documents in relation to the above.

We have very little comment on the changes to the draft Agreement and Schedule "A" and would be prepared to have them go forward to Cabinet in their present form, bearing in mind that the content will undoubtedly change further as a result of discussions with the United States. There is, however, one important omission in these two documents, resulting from deletions from the drafts previously agreed. In the General Agreement itself in paragraph 3(a), the United States is no longer responsible for "the safeguarding and maintenance of the warheads." Instead the phrase "inner security of the storage sites" is used. In Schedule "A" similar deletions have been made. The word "safeguarding" has been removed from paragraph 3 which defines U.S. responsibilities. In paragraph 6 former sub-paragraph (a) has been deleted which read "to perform custodial responsibilities in respect to nuclear warheads stored at each site." Again in the section formerly headed "Security" paragraphs 24 and 25 of the draft of June 1, 1961, have been deleted. Paragraph 24 had dealt with the security responsibilities of the Commander of the United States Detachment in connection with the storage, maintenance and handling of the nuclear warheads.

The net result of the changes to which I have drawn attention above is that the United States responsibilities for the custody of nuclear warheads are no longer clearly defined. Since U.S. legislation compels the U.S. to have custody of all nuclear weapons, I do not believe that the agreement and schedule in their present form would be acceptable to the United States. I presume, in any case, that the Canadian Government does not wish to have this responsibility.

In regard to the draft memorandum to the Cabinet, I have a somewhat similar comment. In the first sub-paragraph (b) on page 2, it is stated that "authorization of the release of the weapons from storage would require the approval of both the U.S. and Canadian Governments." I do not believe that this statement in the context of the following sub-paragraph, clearly defines the separate U.S. responsibilities for custody and for the release of nuclear weapons from custody for Canadian use.

I hope the foregoing comments are helpful. As indicated above, I do not think it is essential to make any further changes in the Agreement and Schedule prior to submission to Cabinet.

Yours sincerely,

F.R. MILLER
Air Marshal

352.

DEA/50210-F-40

*Note de la 1^{ère} 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], August 10, 1961

NEGOTIATIONS WITH THE UNITED STATES CONCERNING THE PROVISION
OF STOCKPILES OF NUCLEAR WEAPONS FOR CANADIAN FORCES

With reference to our conversation yesterday concerning the Cabinet meeting on Wednesday on the above subject, attached for your consideration is a memorandum for the Minister which, if agreeable to you, Ross Campbell might take out west with him when he leaves on Monday to meet the Minister. I could explain to Mr. Campbell that if at all possible he could telephone me the Minister's decisions on the various points raised. This would give us additional time to get the necessary documents ready, although the physical reproduction of the Memorandum, the General Agreement and the four schedules will take at least one day, possibly two.

2. In the meantime, we will reproduce the necessary quantities of the Memorandum to the Cabinet (and assume that the Minister will sign it alone), the General Agreement and schedule A, but not turn them over to the Privy Council for circulation.

3. A possible alternative which occurs to me is that you might wish to clear the various points of the Memorandum with the Minister, should you be talking to him on the telephone between now and Monday. This would give us even more time to reproduce the various documents in sufficient quantities.

F.M. TOVELL

353.

DEA/50210-F-40

*Note du secrétaire du Cabinet
pour le premier ministre*

*Memorandum from Secretary to Cabinet
to Prime Minister*

SECRET

[Ottawa], August 12, 1961

Mr. Harkness would like to see you late on Monday morning or early Monday afternoon concerning several matters of importance.

First, he would like to report to you on the question of negotiations with the United States about the terms on which nuclear weapons might be stationed in Canada. He does not fully agree with the proposals which Mr. Green will bring to Cabinet on Wednesday morning and I thought you should know the points on which he will differ. (If you wish to secure the latest information on what is being prepared for Mr. Green to submit, Dewar in our office can furnish it to you on Monday. It is not in sufficiently final form for me to give it to you this weekend.)

The second matter on which Mr. Harkness would wish to speak to you is possible additional defence measures that Canada might take at this time in parallel with other members of NATO. Mr. Harkness is going over this with the Chiefs of Staff early on Monday morning and would like to report to you immediately thereafter.

Perhaps it might be most convenient for both of you if you saw Mr. Harkness after lunch, so that he has time to put his proposals in shape after meeting with the Chiefs, and you may have more opportunity to find out what it is that External Affairs will be proposing in regard to the terms of the nuclear weapons agreement.

R.B. B[RYCE]

354.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], August 22, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).
 Mr. D.B. Dewar, Privy Council Office.

NUCLEAR WEAPONS; NEGOTIATIONS WITH THE UNITED STATES

(Previous reference August 17)

9. *The Secretary of State for External Affairs* submitted a memorandum and draft of a proposed agreement with the U.S. governing the provision of stockpiles of nuclear warheads for the Canadian forces. The purpose of the memorandum was to describe as fully as possible, within the limitations of the information available, the nature of the arrangements which should govern the establishment of stockpiles of nuclear warheads for Canadian forces in Canada and in Europe. The memorandum also suggested the procedure for ensuring that such weapons were used by Canadian forces only with the specific authority of the Canadian government. In addition the memorandum described the basis on which it was proposed the Canadian representatives would initiate and proceed with negotiations with the U.S.

The application of the principle of joint control as envisaged in the proposed Canadian negotiating position would involve the storage of the weapons in inner compounds in the immediate possession of U.S. personnel, who would be responsible for their maintenance, and the existence of an outer security area around the compounds which would be guarded by

Canadian personnel. Movement of the weapons in Canada to or from the storage sites, either for logistic or operational reasons, would require the approval of the Canadian government. Authorization of the release of the weapons from storage would require the approval of both the U.S. and Canadian governments. Authorization of the use of the weapons by Canadian forces subsequent to their release from storage would be the responsibility of the Canadian Government.

It was understood that, before stockpiles were established, the U.S. normally negotiated with its N.A.T.O. allies a general government-to-government agreement setting out the general principles which would govern the provision of the warheads, and a series of supplementary technical agreements, negotiated and concluded on a command-to-command basis. The supplementary agreements covered the detailed arrangements for storage, maintenance, custody and control of individual weapons systems. A draft General Agreement, consisting of a brief diplomatic note and an Annex which set out the general terms and conditions under which nuclear weapons might be made available to and accepted by Canada, had been prepared. It had not been seen by nor discussed with U.S. officials, who might have substantial changes to propose. Conclusion of the general agreement would not of itself lead to implementation of its provisions, for which a further exchange of Notes would be required.

Detailed arrangements for the various weapons systems would be spelled out in separate documents that would take the form of either Schedules to the General Agreement or supplementary agreements. It was proposed to make it clear to the U.S. authorities that Canadian acceptance of a general agreement would be conditional upon the completion of satisfactory supplementary agreements. The U.S. regarded the supplementary agreements simply as implementing instruments, and therefore suitable for negotiation between the theatre commander concerned (e.g., SACEUR, SACLANT or CINCNORAD in his capacity as senior U.S. military representatives in the theatre) and the military representative of the other negotiating power. It was proposed to make it clear that Canada would wish any supplementary agreements to be concluded on a government-to-government and not on a government-to-theatre commander or service-to-service basis.

A draft schedule carrying the detailed arrangements for the storage of warheads for the BOMARCS had been prepared. Essentially similar schedules covering nuclear warheads for anti-submarine units of the R.C.A.F. Maritime Command and the R.C.N. assigned to SACLANT, for the First Air Division in Europe and for the Canadian Brigade in Europe were also being prepared. These draft schedules would no doubt have to be reviewed and revised in the light of negotiations on the general agreement.

When it was decided that negotiations should be initiated with the U.S., it was proposed that the first step should be to reach an understanding with the U.S. on the text of a general agreement. This understanding would be preliminary only, and conditional upon satisfactory completion of the later phases of the negotiations. Preliminary negotiations would then begin (on a government-to-government basis) on the texts of supplementary technical agreements to cover the various weapons systems (Bomarc, Honest John, etc.) required by the Canadian forces. The progress of each step of the negotiations would be the subject of consideration by Ministers. The final phase of the negotiations would consist of consideration by the Cabinet of the overall arrangements as an entity, at which time the government would be in a position to determine what action it wished to take.

It was proposed that the U.S. authorities should be told at the start of negotiations that the decision of the Canadian government to enter negotiations should not be interpreted to mean that Canada had decided to acquire nuclear warheads but rather that it wished to place itself in a position to do so rapidly if at any time in the future such action should be deemed necessary.

An explanatory memorandum had been circulated, (Minister's memorandum Aug. 15 – Cab. Doc. 297-61).†

10. *During the discussion* of the draft note and of the draft general agreement in the Annex, the following main points were made,

(a) The U.S. would be free to decide for itself who should negotiate and sign the agreements with Canada on their behalf, but it could be made clear that Canada insisted on having government-to-government agreements, and that whoever signed the agreement for the U.S. would be doing so officially on behalf of the U.S. government.

(b) The general agreement, once it was negotiated, would be held to be conditional until the various supplementary agreements had also been negotiated satisfactorily.

(c) It was a requirement of U.S. law that ownership of the warheads should remain with the U.S.

(d) Although the draft agreement had been drawn up without full knowledge of U.S. requirements and practices, it represented a statement of Canadian wishes and requirements. The Canadian negotiating position should therefore not be weakened by the inclusion in the text of the draft of such words as “except as otherwise agreed” in the paragraph on security of the storage sites (para 3 on page 2 of the Annex).

(e) To meet the purposes of the agreement it would be necessary to have a rapid communications system similar to that now provided to the U.S. President. A system would be needed by which the Prime Minister could be in communication immediately at all times with the weapons sites in order to authorize use of the weapons by Canadian forces. Similarly, the U.S. President would need to have rapid communications with the same sites to enable him to authorize release of the weapons from storage for use.

(f) Canada would pay the costs of construction of housing, messes and offices necessary to accommodate U.S. personnel and would operate and maintain those facilities. Some said the text of the draft agreement in para. 13 of the Annex was open to the interpretation that Canada would also pay the costs of food and of rent for U.S. personnel. Others said that such was not the practice in other arrangements with the U.S. forces, and that this situation would be satisfactorily settled in detail in the supplementary agreements. It was noted that, in para. 14, reference was made to the fact that details of the support for U.S. personnel was a matter to be mutually agreed between the appropriate agencies of the two Governments.

11. *The Cabinet* noted the submission of the Secretary of State for External Affairs on negotiations with the United States concerning the provision of stockpiles of nuclear weapons for Canadian forces and the points raised in the discussion, and agreed to give further consideration to the matter at an early meeting.

...

355.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], August 23, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),

The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson),
 Mr. D.B. Dewar, Privy Council Office,
 Mr. D.F. Wall, Privy Council Office.

NUCLEAR WEAPONS NEGOTIATIONS WITH THE UNITED STATES
 (Previous reference August 22)

5. *The Cabinet* resumed consideration of the Draft Note and Annex constituting a draft general agreement with the United States governing the provision of stockpiles of nuclear warheads for the Canadian forces.

6. *During the discussion* of the draft general agreement in the Annex the following main points were made,

(a) Although the detailed schedules would make it clear that the U.S. would pay for rations for U.S. personnel required to implement the agreement, it would be helpful to state in para 14 of the Annex that each government should bear the cost of the pay, allowances and messing of its own personnel.

(b) U.S. personnel who lived in married quarters would pay their own rent; U.S. single personnel would live in barracks for which payment would be made to Canada by the U.S. government.

(c) N.A.T.O. was already constructing as part of the infrastructure programme a number of storage sites for nuclear weapons in Europe that would be used by the forces of more than one member government. Arrangements for the support and external security of these sites would be as agreed between the governments and the Allied Command concerned as might be appropriate.

7. *During the discussion* of the Draft Schedule governing the stockpiling in Canada of nuclear warheads for BOMARCS, the following main points were made,

(a) The warheads would be stored on the missiles, and the missile launching sites would therefore be considered to be storage sites for the purposes of the agreement. No provision had been made for storing at each site more than the 28 missiles and warheads that would be supplied originally. Each missile could be fired independently of others in the squadron and, if it was equipped with a nuclear warhead, could destroy a group of aircraft flying near each other.

(b) The text of para 7 of the Draft Schedule should be revised to make it clear that the U.S. detachment commander was to ensure compliance by his men with all R.C.A.F. directives applicable to U.S. forces on the site and not only with the R.C.A.F. directives pertaining to nuclear safety.

(c) It should be made clear that it was during the movement of nuclear warheads within Canada that Canada was responsible for their security. Other arrangements applied at the storage sites, where Canada and the U.S. had a joint responsibility for security of the warheads.

(d) In para 10(a) of the draft Schedule it was provided that, if Canada and the U.S. had agreed to permit CINCNOAD to increase the state of readiness of his Command to Maximum Readiness (Air Defence Readiness), the two governments might at the same time agree to pre-determined rules of engagement whereby CINCNOAD would be authorized to use nuclear weapons if and when certain conditions prevailed. Some said such prior authorization was meant to cover the situation in which the enemy was already attacking North America and communications had been severed. Others said that the judgment of when to use nuclear weapons should not be left to the military authorities, but noted that the two governments would decide at the time they authorized the increased state of readiness whether such prior authority would be granted.

(e) It was necessary to provide that authorized representatives of the Canadian and U.S. release officers might hold the keys to the double lock switches at the launching sites, because the two national release officers could not always be present.

(f) It should be required that, if advance authorization to use nuclear weapons had not been given and CINCNOAD considered it necessary that he have the authority to use them, *he should* rather than *might* seek such approval from the two governments. Since it was important that there be only one person in each government at one time who could authorize the use of the weapons, it should be required that approval be sought from "the respective Heads of Government" rather than from the political authorities of both governments.

(g) The present wording of para 10(f) of the draft Schedule did not deal adequately with the problem that by error or misunderstanding CINCNOAD might issue an order to employ the warheads before the Prime Minister's authorization to do so had been received at the site. It would be better to stipulate that CINCNOAD would not issue operational orders before the Prime Minister's authorization had been received by the release officer, and if the orders were issued they would not be effective and should not be complied with at the site until authorization of the Prime Minister was received.

(h) The Atomic Energy Control Board should be consulted on the adequacy and appropriateness of the sections of the draft Schedule dealing with radiological hazards and other safety matters.

8. *The Prime Minister* said that, if negotiations were started with the U.S. the fact that they were taking place would almost certainly become known and would be interpreted as meaning that Canada had taken a decision in principle to obtain stockpiles of nuclear warheads for the Canadian forces. It was important that the remaining draft Schedules should be prepared for Cabinet consideration without delay and that the negotiations should begin. If these negotiations got into difficulty, he would be prepared to see the President about the matter. Mr. Kennedy had indicated that he was anxious to see progress made on these negotiations. Nevertheless, it was also important that a discussion be held on the principles involved, because of the interpretation that would be placed on the negotiations when their existence became publicly known. It had been fairly well determined that nuclear warheads would be obtained for the Canadian forces in Europe, but no decision had been taken on the stockpiling of the warheads in Canada. The question of permitting the storage of nuclear weapons at U.S.-leased bases in Canada would also have to be considered.

9. *During the further discussion*, the following main points were made,

(a) Some said that the weapons for which the nuclear warheads would be stockpiled in Canada were purely defensive and of limited range, and that since they would be used only if enemy bombers were over Canadian territory, their use could not start a war. The two

BOMARC bases in Canada were part of an interlocking chain which would contribute to the defence of the retaliatory bases in the U.S. and thereby add to the deterrent to war and to the ability of the West to resist Soviet pressures and threats around the world. In conjunction with two U.S. BOMARC bases in the Sault Ste. Marie area, the Canadian bases would provide some protection for the part of Canada east of the Lakehead. It had been said that the BOMARC defences were likely to bring the aircraft and their bombs down on Canada, but, according to the best information available, the nuclear warhead on the BOMARC missiles would not only destroy the enemy aircraft but also would destroy nuclear weapons they were carrying, without causing those weapons to explode even if they had been activated to go off. Destruction of enemy aircraft by conventional weapons would, however, probably result in the explosion of the activated nuclear weapons the aircraft were carrying. There would be very little fallout from the defensive nuclear weapons because they were exploded high in the air. If the BOMARC defences, which would be especially effective against aircraft flying together, resulted in the adoption by the enemy of an attack pattern whereby the bombers flew singly or in small groups, they would then be more vulnerable to interception by fighter aircraft. This was the reason that a mixture of BOMARCS and interceptors was necessary to air defence plans. Nuclear warheads would also be necessary for the interceptor aircraft if they were to be capable of destroying both the attacking aircraft and their nuclear bombs.

(b) Not all attacking aircraft would be destroyed, but an effective air defence would save many lives and much property. If war occurred, Canada would want to have the best weapons and equipment available to defend itself. If it did not occur, the fact of having acquired nuclear weapons would not matter.

(c) Some said that it would be a tragic policy for Canada to stockpile nuclear weapons at this time. All countries had an equal right to provide for their defence and the Canadian example might result in a dozen or more powers, some of them, like the United Arab Republic, in tense and dangerous parts of the world, following the example. In some countries, weapons of limited range might be used for offensive purposes. Such a spread of nuclear weapons would increase the dangers of war. It would be especially bad for Canada to announce a decision to obtain these weapons during the present period of high international tension, when there was already danger of war. The worst of the Berlin crisis was perhaps over, and even Chancellor Adenauer was urging the U.S. to enter negotiations. Canada should not do anything to worsen the situation. A nuclear war would be quite unlike any wars previously known; it would destroy civilization. There were already enough nuclear weapons in the possession of the U.S. and the Soviet Union to destroy the world and there was no need for more in Canada. The warheads would not in any case be available to Canadian defence forces for the difficult period of the next few weeks.

(d) The U.S. was now placing stress on strengthening conventional arms. Canada could continue its present defence policy, proceed with the negotiation of an agreement on the terms under which nuclear weapons might be obtained from the U.S., but obtain them only if and when they were needed. The U.S. was not now pressing its N.A.T.O. allies to accept nuclear weapons, and there was no move underway in N.A.T.O. at the present time to work out a system of joint control. The present arrangement, under which the control over the nuclear weapons was concentrated in the hands of the U.S. and the U.K. was preferred by most member countries of the Alliance. It was true that nuclear weapons were stored in Turkey, Greece and Italy, but in those countries the U.S. maintained complete control over them. Canada should not accept the weapons under these conditions, but if they were obtained under joint control Canada would be breaking new ground. The U.S. did not want Germany to obtain nuclear weapons because it was realized that the Soviet Union, which had legitimate reason to fear Germany, might then strike the first blow. If Canada obtained nuclear weapons the question of German acquisition would be brought to the forefront.

(e) If Canada stockpiled nuclear weapons its influence in world affairs and ability to provide leadership to other countries would be ended.

(f) Some said also that it would be misleading to indicate to the people that Canada would be defended by two BOMARC bases and 66 interceptor aircraft, even if they were armed with nuclear weapons. The purpose of these weapons was to defend the Strategic Air Command bases, and not Canada. An attack might be made with missiles, against which these weapons were ineffective, and even if the attack was made with bombers, enough of them would get through the defences to do great damage. It was doubtful if these weapons would provide any defence against nuclear equipped submarines or against stand-off bombers that could launch missiles from several hundred miles away from the target.

(g) Others said that Canada would not be breaking new ground by agreeing to stockpile nuclear warheads on Canadian territory. There were N.A.T.O. agreements running back to 1954 that member countries should make arrangements with the U.S. to obtain weapons requiring nuclear warheads. A number of countries had gone ahead to secure the carriers, as Canada had in respect of the CF-104, the BOMARCS and the Honest John. Some said also that the ICBM was unlikely to be the sole threat for ten years and that the stand-off bomber did not now carry missiles of sufficient range to make them invulnerable to interception by BOMARCS or fighter aircraft.

(h) The BOMARC site at North Bay could be ready to receive the missiles in about six weeks, and the warheads for them could be obtained at that time if the negotiations with the U.S. had been completed. There were no conventional warheads for the BOMARC B in production. The CF-101 aircraft could carry either conventional or nuclear armament; MBI nuclear air-to-air missiles, which would fit that aircraft, were available in the U.S. If nuclear weapons were obtained for the CF-101 aircraft, there would need to be special storage sites at each interceptor base in Canada.

(i) Only two CF-101 aircraft were now in Canada. Twelve R.C.A.F. crews and some technical personnel were being trained in the U.S. These men would return to Canada to train others. Some squadrons would be in operation by the end of the year, and all five by January or February, 1962.

(j) A Gallup Poll of some months ago had shown that, of the 70 per cent of persons polled who expressed an opinion, two favoured obtaining nuclear weapons for the Canadian forces for each one who was opposed. A survey done for the CBC about the same time had produced a similar result. Some suggested that another survey conducted now would show even more persons in favour of obtaining nuclear weapons.

(k) The Liberal Party was opposed to the stockpiling of nuclear weapons in Canada although some said their position was ambiguous because Mr. Pearson had indicated the party might take a different view if N.A.T.O. as a whole agreed to its members obtaining these weapons. The New Democratic Party was opposed to continued membership in N.A.T.O. if the Alliance remained committed to using nuclear weapons. Some said that, if having nuclear weapons was the price that must be paid for national security, the responsibility of the government was clear.

10. *The Cabinet* noted the discussion on the matter of proposed negotiations with the United States concerning the provision of stockpiles of nuclear weapons for Canadian forces, and agreed to give further consideration to the subject at an early meeting.

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356.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], August 25, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).
 Mr. D.B. Dewar, Privy Council Office.

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NUCLEAR WEAPONS NEGOTIATIONS WITH THE UNITED STATES
(Previous reference August 23)

3. *The Cabinet* resumed consideration of the proposed negotiations with the U.S. concerning the provision of stockpiles of nuclear weapons for Canadian forces.

4. *During the further discussion*, the following points were made:

(a) Some said that, if the international situation continued to grow worse Canada would have to obtain nuclear weapons for defence. The latest Soviet notes contained a threat to the air corridors to West Berlin and had made the crisis over Berlin more threatening. The President of the United States, in awakening his people to the dangers of the situation, had aroused them to such an extent that his ability to negotiate over Berlin was very seriously restricted. If it were decided that, in these circumstances, Canada should have nuclear weapons, it was essential that they be accepted only on the basis of joint control amounting to a power of veto by Canada over their use.

(b) Others said this would be a bad time for Canada to decide to obtain nuclear weapons because of the danger that this action would worsen the already tense international situation. If they were found to be necessary at a later time, the weapons could be obtained quickly then. Canada had a position of moral leadership in the world that would be adversely affected by a decision to accept nuclear weapons, and this position should not be given up unless and until it was absolutely necessary to do so.

(c) Some said, on the other hand, that the position of Canada in the world was not so great that a decision to obtain nuclear weapons would affect the decision of the Soviet Union or the United States on whether they should permit the spread of these weapons to other countries such as the UAR. It was in the interest of the Soviet Union to restrict the spread of nuclear

weapons at this time, and the fact that Canada had obtained them would not result in a reversal of the Soviet position. Conversely, if the Soviets decided at some point to give nuclear weapons to smaller countries, the fact that Canada had not obtained them would not deter the Soviets from making them available to others.

(d) Some said it would be misleading to suggest that arming the Bomarc and interceptor aircraft in Canada with nuclear weapons would provide an effective defence for the country. Others said that the real deterrent to attack was the retaliatory forces of the United States, and that Canada was obliged to contribute to the defence of those forces because of its location and involvement in NORAD and in the other collective defence arrangements of the Western Alliance. The defence of Canada and the United States was inseparable, and it was not acceptable that the United States forces under CINCNORAD were armed with nuclear weapons and the Canadian forces were not. Moreover, the morale of the Canadian forces both in Canada and in Europe would be badly affected if they were not provided with nuclear weapons to defend themselves against an unscrupulous enemy with similar weapons. It was not known whether Soviet bombers were equipped with nuclear armament to defend themselves against attack; but as it could not be assumed that they were not, it was necessary to equip with nuclear weapons the interceptors that would be sent up against them.

(e) Some said that Canada was, in effect, committed to obtaining nuclear weapons when the decisions were made to procure the Bomarc, the Honest John missiles and the CF104s. These weapons were known to require nuclear weapons to be fully effective in the roles assigned to them. Although it was technically possible for the Bomarc to be armed conventionally, they would not be effective against modern aircraft carrying nuclear bombs unless they had nuclear warheads. Moreover, it was known now that there were no conventional warheads being produced that could be fitted to the Bomarc B missiles Canada was obtaining. Although conventional warheads could be produced, the United States authorities considered that they would not be useful.

(f) Some thought it would be preferable to agree first to the storing of defensive nuclear weapons on U.S.-leased bases in Canada, and suggested that the Bomarc bases might also be leased to the U.S. and the U.S. permitted to store nuclear warheads at them. Others said this would be an abandonment of responsibility on the part of Canada and could not be considered as a solution unless the United States did not agree to the Canadian requirement of joint control.

(g) Some said that the U.S. retaliatory forces had been more vulnerable, at the time when the sites for Bomarc had been selected, than they were now, because a partial airborne alert had been instituted. Others said only a small proportion of SAC bombers were in the air at any one time and that their bases still required all the defence it was possible to give them.

(h) It was suggested that, even if the deterrent forces of the U.S. were adequately protected and if they succeeded in preventing a nuclear war, there would still be danger of attacks on Western territory and interests by conventional forces. It should not be thought that by providing a nuclear defence we were solving the whole problem. Others said that, because of the Soviet Bloc's superiority in conventional forces, NATO had adopted a nuclear strategy some years ago and that this was still the strategy of the Alliance. The U.S., in stressing the need to strengthen conventional forces, was not intending to abandon the nuclear strategy, although it was hoped that in a few years the West would be less dependent on that strategy. If there was a moral question in the commitment of NATO to initiate the use of nuclear weapons in defence if necessary, then that question had been faced and answered some years ago when the nuclear strategy was adopted.

(i) Some said that a decision to accept nuclear weapons should not be taken now because the Canadian people were not yet prepared for it. Despite the results of the Gallup poll, a large

number of people and perhaps a majority were opposed to having nuclear weapons in Canada, either because they thought it might lead to the spread of nuclear weapons and increase the danger of war or because they thought it would be more in the interest of the U.S. than of Canada. Accepting the weapons now would create a major political issue. Some others said that if these weapons were necessary for defence then the responsibility of the Government was clear, but that the public mind must be prepared for the announcement of the decision. It was also suggested that, if war should occur, the attitude of those citizens who opposed the acceptance of nuclear weapons would change immediately.

(j) It was likely that, if negotiations were started with the U.S. on the terms under which Canada might accept nuclear weapons, they would not take long and would result in U.S. acceptance of the Canadian requirement for joint control. The President had said that he would go as far as possible to meet the Canadian position in the matter, and there had been reliable reports in the last few days that members of the U.S. Senate Foreign Relations Committee would agree to joint control with Canada over nuclear weapons stockpiled in this country for Canadian use. It would not have been possible two years ago to obtain U.S. agreement to this principle.

(k) A change in U.S. law might not be required to give effect to an agreement to share with Canada joint control over nuclear weapons stockpiled in Canada. The President had indicated that his executive powers were sufficient to interpret the present law in such a way as to permit him to make the necessary agreement with Canada.

(l) Some said that negotiations with the U.S. on the terms under which nuclear weapons might be accepted by Canada should not be initiated unless there was a clear decision that the weapons would be accepted if the negotiations resulted in U.S. agreement to the conditions of joint control required by Canada. The Prime Minister had said in the House of Commons in 1959 that the Canadian forces would need nuclear weapons if they were to be fully effective, but that Canada must have control over the use of these weapons by Canadian forces. If the Canadian position on control was accepted, Canada would have to proceed with accepting the weapons. It would not be possible then to say to the U.S. that the Canadian government had changed its mind and was not going to go ahead and accept the weapons. Moreover, once it became known that negotiations were underway, the public would interpret this to mean that the government had decided to obtain nuclear weapons. It would be damaging to say that, although the negotiations on terms were proceeding, no decision had been made on the main question of whether the weapons should be accepted.

(m) Others said that the negotiations with the U.S. on terms under which Canada might accept nuclear weapons should go forward, but it should be clearly understood that, in authorizing the negotiations, the Cabinet was not taking the decision that the weapons would be accepted if the negotiations were successful. It would weaken the Canadian negotiating position with the U.S. if it became known before or during the negotiations that the decision to accept the weapons had already been taken. Moreover, it would be dangerous to make the decision now, and run the risk of the information becoming public knowledge while the international situation was so tense. The provision of nuclear weapons to Canada would be bound to become linked with the question of the provision of nuclear weapons to Germany, and if Germany obtained them the danger of nuclear war would be vastly increased. Another reason why this was a bad time to make a decision was that the U.S. had prepared a new statement of principles on disarmament on which discussions with the Soviet Union would begin on September 5th, and the President had approved a new disarmament plan which had been agreed to by most of the Western negotiating powers and which would probably be ready for presentation to the U.N. General Assembly in September. Canada should not take any action that would tend to undermine the prospects of progress in this field.

(n) It was also suggested that, if it became known that negotiations on conditions were underway but that a decision to accept nuclear weapons had already been taken, the public would conclude that the Government had changed its previous position that the principle of joint control must be agreed to before Canada would accept nuclear weapons. The best course therefore would be to go forward with the negotiations, and, if their existence became known, to explain that possible conditions were being negotiated with the U.S., but that if the principle of joint control was not agreed to, Canada would not accept the nuclear weapons.

5. *The Cabinet* noted the discussion on the matter of negotiations with the United States concerning the provision of stockpiles of nuclear weapons for Canadian forces, and agreed to give further consideration to the matter at a subsequent meeting.

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357.

DEA/50210-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, September 12, 1961

NEGOTIATIONS WITH THE UNITED STATES CONCERNING THE PROVISION
OF STOCKPILES OF NUCLEAR WEAPONS TO CANADIAN FORCES

I understand that the question of negotiations with the United States on this matter was on the agenda of the Cabinet last week and has been carried over to this week. I also understand that Mr. Merchant was in to see Mr. Bryce last Wednesday to enquire when the United States might expect negotiations to begin pursuant to the messages exchanges between the Prime Minister and the President.

Pending the Prime Minister's decision as to whether or not schedules B, C and D should be considered by Cabinet,²⁵ you may wish to examine the attached draft of an Aide Mémoire to cover all the documents to be given the Americans to launch the negotiations. This Aide Mémoire could be given at the appropriate time to the United States Government either through the U.S. Ambassador or Chargé d'Affaires in Ottawa or through the Canadian Ambassador in Washington.

As you will see, the text of the Aide Mémoire has been drawn so as to express clearly that the commencement of negotiations is to be without prejudice to the decision to be taken later as to whether or not Canada will acquire nuclear weapons. The text also, in its last paragraph, explains that the "package" is intended to provide a basis for initiating general discussions by setting out Canadian views as to what would constitute an acceptable point of departure for the negotiation of the agreement. It includes also the understanding that further consideration will have to be given to detailed matters.

N.A. R[OBERTSON]

²⁵ Notes marginales :/Marginal notes:

SSEA says PM has decided to take schedules to Cabinet. Draft to be held. R. C[ampbell] 13/9
Not dealt with in Cabinet 14/9. [Ross Campbell]

[PIÈCE JOINTE/ENCLOSURE]

Projet d'un aide-mémoire

Draft Aide-Mémoire

SECRET

NEGOTIATIONS WITH THE UNITED STATES CONCERNING THE PROVISION
OF STOCKPILES OF NUCLEAR WEAPONS FOR CANADIAN FORCES

The Canadian Government has been giving consideration to the form and substance of a possible intergovernmental agreement regarding the provision of stockpiles of nuclear weapons for Canadian forces. There is attached for the consideration of the U.S. Government a draft of such an agreement in the form of an Exchange of Notes and consisting of the following documents:

- (a) a draft diplomatic Note;
- (b) a draft Annex to this Note which sets out the general principles which might govern the provision of the stockpiles;
- (c) a series of draft Schedules applying the general principles of (b) to the detailed arrangements for storage, maintenance, custody and control of the warheads, there being one schedule for each weapon system or type of weapon system.

To complete the exchange of Notes a formal reply would be required.

As the Canadian Government wishes the detailed arrangements to give expression to the general principles contained in the Annex to constitute an integral part of the exchange of Notes, agreement on the terms of the Annex would be conditional upon the negotiations of mutually agreeable Schedules.

The Canadian Government has decided to enter into negotiations with the U.S. Government on the basis of the attached drafts with the object of putting itself in a position to be able to acquire nuclear warheads on short notice if at any time in the future such action should be deemed necessary by the Canadian Government.

The attached drafts are designed to convey Canadian views as to what would constitute an acceptable point of departure for the negotiation of the agreement. It is appreciated that further consideration will have to be given to matters of detail and in order to avoid delays it is suggested that this further consideration might be given jointly by Canadian and U.S. negotiating teams. In this regard the Canadian Government would be prepared to commence detailed negotiations as soon as the U.S. authorities have had an opportunity to study the attached drafts.

358.

DEA/50210-H-40

*Le secrétaire d'État aux Affaires extérieures
au chargé d'Affaires de l'ambassade des États-Unis*

*Secretary of State for External Affairs
to Chargé d'Affaires, Embassy of United States*

LETTER NO. 160

Ottawa, September 27, 1961

Sir [W.C. Armstrong],

I have the honour to refer to discussions in the Canada-United States Ministerial Committee on Joint Defence²⁶ and to the recommendations of the Commander-in-Chief, North American Air Defence Command, concerning the extension and strengthening of the continental air defence system, including the establishment of long range surface-to-air missile sites in Canada.

The Canadian Government, in statements of September 2[3], 1958²⁷ and February 20, 1959,²⁸ indicated that BOMARC missile bases would be established in Canada, that the PINETREE radar system would be strengthened by the addition of a number of main radar stations and gap filler radars; and that semi-automatic ground environment (SAGE) electronic control and computing equipment would be installed in Canada.

In the discussions between representatives of our two Governments, the importance of satisfactory cost-sharing arrangements for these new programmes was recognized. Understandings concerning the distribution of financial responsibility between the two Governments were reached. Discussions of cost-sharing arrangements were conducted against the background of past understandings between our two Governments, particularly, the "Statement of Principles for Economic Cooperation" of October 1950, and the continuing discussions between our two Governments designed to give effect to their joint determination to assure the most economical and effective use of the defence production capabilities of both countries. Primary consideration was given to the fact that these new and costly undertakings are designed to enhance the joint security of Canada and the United States.

It was recognized as well that further consideration would have to be given to the operational procedures and costs involved in the use of certain of the new facilities when established, in the light of the joint responsibility exercised by the two Governments for the operations of the North American Air Defence Command. Arrangements in this respect will be dealt with in a separate agreement between the appropriate agencies of our two Governments.

My Government now proposes that the conditions set out in the attached Annex, which accord with the understandings reached between representatives of our two Governments, should govern the financing, installation and operation of the facilities in Canada now required to strengthen and extend the continental air defence system. If these conditions are acceptable to your Government, I propose that this Note and Annex, and your reply, should constitute an agreement between our two Governments, effective from the date of your reply.

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

H.C. GREEN

²⁶ Voir/See Volume 27, document 302.

²⁷ Voir/See "Text of Diefenbaker Statement," *Globe and Mail*, September 24, 1958, p. 8.

²⁸ Voir Canada, Chambre des Communes, *Débats*, 1959, Volume II, pp. 1279 à 1282.
See Canada, House of Commons, *Debates*, 1959, Volume II, pp. 1221-24.

[PIÈCE JOINTE/ENCLOSURE]

*Annexe**Annex*STATEMENT OF CONDITIONS GOVERNING THE FINANCING, INSTALLATION
AND OPERATION OF FACILITIES IN CANADA REQUIRED TO STRENGTHEN
AND EXTEND THE CONTINENTAL AIR DEFENCE SYSTEM

(Hereafter, unless the context otherwise requires, “Canada” means the Government of Canada, “United States” means the Government of the United States of America, and “facilities” means the facilities defined in paragraph 1 of this Annex).

1. Facilities

The arrangements set out below will apply to the construction and installation of (a) seven new heavy radar sites; (b) forty-five gap filler radar sites; (c) one SAGE Combat Centre/Direction Centre; (d) certain modifications to existing radars in Canada made necessary by SAGE; (e) two BOMARC missile squadrons.

2. Consultation

Appropriate Canadian and United States authorities shall consult in connection with the implementation of these facilities and related arrangements. Appropriate representatives of the two Governments shall participate in the development of the facilities from design to installation and decisions affecting the programmes shall be mutually agreed, including the assignment of responsibilities for undertaking the various aspects of the programme.

3. Surveys

Canadian and United States agencies will cooperate in making engineering and other technical surveys to determine suitable sites for the facilities, and may make plans for the facilities to be constructed and the equipment to be installed at the sites. In the conduct of the surveys, special care will be taken to avoid any infringement of rights over lands which are not owned by Canada; any arrangements involving private properties will be made only through the appropriate Canadian Government agency.

4. Sites

The location and extent of all sites required for the facilities shall be agreed upon by appropriate agencies of the two Governments. Canada, without charge to the United States, shall acquire and retain title to any lands required for the sites.

5. Radio Interference

Special consideration will be given to the substantial problem of selecting the sites and modifying or adjusting the electronic equipment of the facilities encompassed by this Agreement so as to avoid interference to other use of radio frequencies in Canada, it being understood that other users concerned in specific interference situations will be expected to offer all reasonable co-operation.

6. Financing

(a) The cost of the initial construction and equipment required for these facilities will be shared in the ratio of Canada being responsible for approximately 1/3 of the cost and the United States being responsible for approximately 2/3 of the cost, and this will be achieved by:

- (i) Canada assuming full financial responsibility for all initial construction as well as standard organizational and base equipment (that equipment and materiel used in the performance of base housekeeping functions and the day-to-day operation of a base);

(ii) United States assuming full financial responsibility for all initial technical equipment required, including its transportation, installation, testing, and the provision of initial spare parts. Technical equipment means all equipment and material peculiar in nature to the special operational mission of the facilities, such as radar and BOMARC missiles.

(b) The sharing of costs not specifically provided for in this agreement, including the costs of maintenance and operation of the facilities, will be a matter for agreement between the two Governments or their appropriate officers.

(c) This agreement relates to the particular projects enumerated in paragraph 1 above and is not to be considered as establishing a precedent for future joint defence projects.

(d) Any action taken under this agreement shall be subject to the availability of appropriated funds.

7. Construction

Canada will assume responsibility for the construction of the facilities, and the provision of the standard organizational and base (housekeeping) equipment.

8. Technical Equipment

Every effort will be made to ensure that Canadian industry is given a fair and reasonable opportunity to share in the production of the required technical equipment, within the objectives of the programme for the sharing of defence production tasks as agreed to by the two Governments.

9. Manning

All the new facilities will be manned by Canadian personnel. Canadian military personnel costs will be borne by Canada.

10. Period of Operation

The facilities will be operated for a period of ten years or such shorter period as may be agreed upon by the two Governments in the light of their mutual defence interests. After the ten year period, in the event that either Government concludes that the facilities are no longer required and the other Government does not agree, the question of continuing need will be referred to the Permanent Joint Board on Defence. In considering the question of need, the Permanent Joint Board on Defence will take into account the relationship of the facilities to any other similar installation established in the mutual defence interest of the two countries. Following consideration by the Permanent Joint Board on Defence, as provided above, either Government may decide that the facilities in question may be disposed of, in which case the arrangements shown in paragraph 11 below regarding ownership and disposition of the installations shall apply.

11. Ownership and Disposal of Removable Property

(a) Ownership of all removable property brought into or purchased in Canada by the United States and placed on the sites, including readily demountable structures, shall remain in the United States. Subject to subparagraph 11(b), the United States shall have the unrestricted right of removing or disposing of such property, PROVIDED that the removal or disposition shall not impair the operation of any installation whose discontinuance had not been determined in accordance with the provisions of paragraph 10 above, and PROVIDED further that removal or disposition takes place within a reasonable time after the date on which the operation of the installation has been discontinued.

(b) The disposal in Canada of United States property imported into or purchased in Canada by the United States for these facilities and declared surplus to defence needs shall be the subject of consultation between the appropriate authorities of the two Governments. In the event that the SAGE equipment is declared surplus to defence needs, Canada shall have the

option to acquire any or all of it at such time and subject to such conditions as shall be mutually agreed upon.

12. *Immigration and Customs Regulations*

(a) Except as otherwise agreed, the direct entry of United States personnel from outside Canada shall be in accordance with Canadian customs and immigration procedures which will be administered by local Canadian officials designated by Canada.

(b) Canada will take the necessary steps to facilitate the admission into the territory of Canada of such United States citizens as may be employed on the construction or operation of the facilities, it being understood that the United States will undertake to repatriate without expense to Canada any such persons if the contractors fail to do so.

13. *Taxes*

Canada shall grant remission of customs duties and excise taxes on goods imported and of federal sales and excise taxes on goods purchased in Canada, which are or are to become the property of the United States and are to be used in the establishment, maintenance or operation of the facilities. Canada shall also grant refunds by way of drawback of the customs duty paid on goods imported by Canadian manufacturers and used in the manufacture or production of goods purchased by or on behalf of the United States and to become the property of the United States in connection with the establishment, maintenance or operation of the facilities.

14. *Status of Forces*

The "Agreement between the Parties to the North Atlantic Treaty Regarding the Status of their Forces," signed in London on June 19, 1951, shall apply.

15. *Supplementary Arrangements and Administrative Agreements*

Supplementary arrangements and administrative agreements between appropriate agencies of the two Governments may be made from time to time for the purpose of carrying out the intent of this agreement.

359.

DEA/50210-F-40

Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
Memorandum by Special Assistant to Secretary of State for External Affairs

SECRET

[Ottawa], October 6, 1961

NUCLEAR WEAPONS POLICY

This afternoon I informed the Prime Minister that there was a great deal of interest on the part of the press and also of officials in the significance of his statements earlier today regarding nuclear weapons policy.²⁹ I said that I was not certain in my mind what he had intended to convey by the emphasis he had placed on supporting the principle enunciated by President Kennedy that there should be no extension of the Nuclear Club.³⁰ Was this in the Prime Minister's mind a change in Canadian policy or did he intend it to be an indirect reiteration of the policy which had been in effect since early 1959?

²⁹ Voir/See Walter Gray, "Fallout Tops UN Agenda after Canada Points the Way," *Globe and Mail*, October 7, 1961, p. 1.

³⁰ Voir/See Public Papers of the Presidents of the United States: John F. Kennedy, Containing the Public Messages, Speeches, and Statements of the President, January 20-December 31, 1961 (Washington: United States Government printing Office, 1962), pp. 618-26.

The Prime Minister said that in his view President Kennedy's recent statement (re the prohibition on transfer of control of nuclear weapons in the new disarmament plan) represented a "pronounced change" as compared with the position the President had taken in Mr. Diefenbaker's talks with him earlier this year. Mr. Diefenbaker said that the public position now taken by the President had killed nuclear weapons in Canada. At another point, he said that more and more it was becoming clear that we would not be having nuclear weapons in Canada unless there was war.

I said that it was my understanding that the United States disarmament plan had been so drafted as to permit the conclusion of an agreement which would provide for the acquisition of nuclear warheads on the basis that ownership would remain with the United States but that control of use would be joint between the United States and Canada. It could be argued that since the United States would not be relinquishing control of the weapons to Canada entirely, an agreement such as this would not constitute an extension of the Nuclear Club. The Prime Minister said that he was aware of this argument but he considered it a play on words.

I asked whether what he had said applied also to nuclear weapons for our forces in NATO. Did he mean that if our air division and brigade were to receive atomic weapons under national control, this also would constitute an extension of the Nuclear Club? The Prime Minister answered affirmatively. He indicated that the same difficulty would not arise if there were a satisfactory form of NATO control governing the use of nuclear weapons by our forces in NATO. He agreed, however, that no such arrangement existed.

The conversation was then broken off but, as I left, the Prime Minister volunteered that this information might be passed on. He did not specify to whom but I took it to mean Ministers and officials concerned with the problem. No reference was made to the question of storage of United States atomic weapons in Canada.

H.B. R[OBINSON]

360.

DEA/50210-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, October 16, 1961

NUCLEAR WEAPONS

When Mr. Bryce was briefing Mr. Ignatieff on Exercise Skyshield II, on which I am reporting separately,³¹ he mentioned that Mr. Harkness had asked to have the question of nuclear weapons put on the agenda of the next Cabinet meeting on Wednesday. It was Mr. Bryce's understanding that Mr. Harkness would be speaking to the Prime Minister about this.

2. Since Mr. Bryce asked whether there was anything in the international situation that might have a bearing on the timing of the opening of negotiations with the United States Government, which is desired by Mr. Harkness, Mr. Ignatieff pointed out that the Canadian Government had just taken an initiative at the United Nations General Assembly to propose a draft resolution dealing with the recent resumption of nuclear testing and the resulting increase in radio-active fall-out. Although the United States and United Kingdom Delegations with whom this draft resolution has been discussed, would give it support, it mainly had to rely on

³¹ Voir/See document 370.

the uncommitted countries, who constitute a majority of the members of the UNGA, for its success. This support might be prejudiced if word leaked out – which it might well do – that we were about to open negotiations with the United States on nuclear weapons. There was the broader question also of the German desire to acquire control of nuclear weapons, which could have a substantial bearing on the outcome of current negotiations with the USSR over Berlin and related problems of European security.

N.A. ROBERTSON

361.

PCO

*Note du ministre de la Défense nationale
pour le Cabinet*

*Memorandum from Minister of National Defence
to Cabinet*

SECRET

[Ottawa], October 18, 1961

GENERAL AGREEMENT ON ATOMIC WEAPONS

1. On 6 December 1960 the Cabinet decided that:

“discussions (or “negotiations) with the U.S. Government concerning arrangements for the essential acquisition of nuclear weapons or warheads for use by the Canadian forces, in the manner already decided, may proceed as soon as they can usefully be undertaken but the acceptance of joint controls to be a basic principle.”

2. Since that time it has not been possible to undertake discussions with the U.S. Government on this matter. In the meantime, in accordance with government policy, preparations have gone ahead to acquire the weapons which require atomic warheads. BOMARC have started to be delivered to North Bay, the first one arriving 19 October. The HONEST JOHN battery has arrived in Canada and training will be completed by 15 November. It is proposed to have practice firing of a missile with a dummy warhead at Petawawa on 27 October, at which I will be present. The CF104 aircraft programme has proceeded on schedule and the first two aircraft are being test-flown now. In addition we have been making arrangements through the NATO infrastructure organization for the provision of the special storage sites necessary to house the warheads in Europe. As we are sharing this storage with other nations and as it is being financed out of infrastructure funds, we have to make a number of decisions on the details associated with this programme.

3. An essential prerequisite to obtaining nuclear warheads for the weapons listed above is the negotiation of a general agreement with the U.S. Government. Cabinet has seen proposed drafts of this agreement and it is anticipated that considerable time may be required for this negotiation. It is stressed that the general agreement does not provide warheads. It is a necessary step to permit the negotiation of subsequent agreements whereby the various weapons can be made available to Canadian forces.

4. It should be pointed out that President Kennedy’s statement, in which he said that the U.S. Government was opposed to nations who did not now possess atomic weapons gaining control of these weapons, was a very carefully worded statement. The word “control” was used to protect the agreements that the U.S. Government had already entered into with other NATO members whereby the custody was retained by the United States and joint control was provided for. It clearly left the door open for agreements with other NATO partners such as Canada under the same conditions.

5. It is recommended that we open negotiations immediately with the U.S. Government on this general agreement and it is suggested that to ensure that these negotiations get off on the right foot, the Secretary of State for External Affairs and I go to Washington for discussions with the appropriate U.S. governmental representatives to ensure that the Canadian position is made clear to them and that the start of the negotiations is made under the proper understanding by both parties.

DOUGLAS HARKNESS

362.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], November 21, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Mr. Watters).

...

NUCLEAR WEAPONS: NEGOTIATIONS WITH THE UNITED STATES
 (Previous reference September 27)

6. *The Minister of National Defence* recalled that in December, 1960, the Cabinet had decided that discussions or negotiations with the U.S. government concerning arrangements for the eventual acquisition of nuclear weapons or warheads for use by the Canadian forces should proceed as soon as possible, but the acceptance of joint controls was to be a basic principle.

Since that time it had not been possible to undertake discussions with the U.S. In the meantime, two Bomarc missiles had arrived at North Bay and one would soon arrive at Lac Macaza in Quebec.

In reply to a question as to whether a non-nuclear warheads could be produced for these missiles, he said none had been produced but they could be made in six months if ordered.

7. *The Cabinet* decided to continue discussion of the matter with the Secretaries absent.

...

SECTION B

EXERCICE « SKY SHIELD II »

EXERCISE SKY SHIELD II

363.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], June 12, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

ANNUAL AIR DEFENCE EXERCISE – SKY SHIELD II

14. *The Prime Minister* said that consideration should be given to the recommendation of the Chiefs of Staff, concurred in by the Minister of National Defence, that approval be granted for the conduct by CINC NORAD of exercise Sky Shield II during the third quarter of calendar year 1961.

An explanatory memorandum had been circulated, (Memorandum, Minister of National Defence, May 8 – Cab. Doc. 200-61).†

15. *During the brief discussion* some suggested that the governments should reserve the right to ask for postponement of the exercise and the advance press releases should be made subject to the approval of the Prime Minister. Others said that the announcement of the exercise some 90 days in advance would serve to assure the general public that the exercise was not an emergency response to particular events that might occur at about the same time, for example a possible crisis affecting Berlin.

16. *The Cabinet,*

(a) approved the recommendation of the Chiefs of Staff, concurred in by the Minister of National Defence,

(i) that approval be granted for the conduct by CINCNOAD of exercise "Sky Shield II," as described in the Minister's memorandum (Cab. Doc. 200/61 of May 8), during the third quarter of the calendar year 1961; and,

(ii) that the Minister of National Defence be authorized, after consultation with the Minister of Transport, to give final approval of the actual date and timing and other details of the exercise;

(b) agreed that each government should have the same rights on the possible postponement of the exercise if necessary, as those which applied for the 1960 exercise "Sky Shield"; and,

(c) that any Canadian or agreed joint announcements concerning the exercise should be subject to the Prime Minister's approval.

R.B. BRYCE
Secretary to the Cabinet

364.

DEA/50309-D-40

*Le chef de la 1^{ère} Direction de liaison avec la Défense
au ministre de l'ambassade aux États-Unis*

*Head, Defence Liaison (1) Division,
to Minister, Embassy in United States*

SECRET & PERSONAL

Ottawa, June 30, 1961

Dear Saul [Rae]:

Thank you for your letter of June 26[†] regarding exercise Sky Shield II. I was about to write and let you know where things stand here.

For some reason the Minister seems to be adopting a hands-off position on the exercise this year. The Department of National Defence did not consult us in drafting its Submission to Cabinet seeking approval of the exercise and the Minister, who had a copy of the Submission for several weeks, did not refer it to us for comment until the night before it was to be discussed in Cabinet. I am enclosing a copy of the Record of Cabinet Decision[†] which, as you will notice, makes no reference to diplomatic channels and simply specifies that announcement concerning the exercise should be subject to the Prime Minister's approval.

I am also enclosing the text of the draft press release[†] which National Defence expects to be submitting to the Prime Minister for his approval in the near future. As you will see it follows last year's text pretty closely. National Defence has not sought our comments on the press release and I obtained this copy through undercover channels.

I suspect that if there is any trouble involving us it will arise over the announcement which the Federal Aviation agency will probably wish to issue to warn the air travellers of the interruption of civil airlines schedules. You will recall that this was the release that gave us all the difficulty last year.³² I think that all we can do at this stage is hope that the FAA learned by last year's experience.

Cheers for now.

Yours sincerely,

W.H. BARTON

365.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], August 23, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson),
 Mr. D.B. Dewar, Privy Council Office,
 Mr. D.F. Wall, Privy Council Office.

...

EXERCISE SKY-SHIELD II
 (Previous reference July 31)

3. *The Prime Minister* said that an article in the *Washington Daily News* of August 22nd, had disclosed details of Exercise Sky-Shield II which was to be held on October 14th. This was an example of the bad security of information in the U.S. Government. The article disclosed the number of aircraft sorties and men to be involved, that British bombers would participate, that radar would be jammed during the exercise, and that civilian air traffic over North America would be grounded for twelve hours.

³² Voir Volume 27, le chapitre 3, partie 4 (b)./See Volume 27, Chapter 3, Part 4 (b).

4. *The Cabinet* noted the comment of the Prime Minister on the publication in the U.S. of details concerning Exercise Sky-Shield II.

...

366.

DEA/50309-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*

SECRET

Ottawa, August 25, 1961

EXERCISE SKY SHIELD II

The Embassy in Washington have informed us that the State Department have sought our comments on a press release which the United States Federal Aviation Agency, the body which controls civil aviation in the United States, would like to make. The text of the draft release is contained in Washington's telegram 2621 of August 22nd, a copy of which is attached.†

The fact that the exercise will be held on October 14th and that it will last for twelve hours was contained in a press release issued by NORAD Headquarters on August 8th. The text of this release was approved on the Canadian side by the Prime Minister in accordance with Cabinet's decision of June 12th.

The proposed FAA release is intended to serve as a general reminder to the public in the United States that all civil aircraft will have to be grounded during the period of the exercise. As such it covers certain aspects of the exercise upon which it would not be appropriate for us to comment, for example that paragraph which details the number of aircraft and passengers which will be affected in the United States. On the other hand there are certain passages upon which we could legitimately comment. I have discussed these with the Chairman, Chiefs of Staff Committee who does not share my view that even though some of the changes I think we should seek to have made are already in the public domain we should do what we can to generally tone down the release. Furthermore, I believe that we should indicate to the State Department that we support their view that the proposed press release should confine itself to the question of interruptions to air traffic and not give more publicity to the military aspects of the exercise than necessary.

With these thoughts in mind we have drafted for your consideration the attached telegram to Washington in which the specific amendments which we think should be made are detailed.³³

N.A. R[OBERTSON]

³³ Notes marginales :/Marginal notes:

I. H.B. R[obinson] To be sent at Minister's request to Prime Minister for his approval of the telegram. R. C[ampbell] 28/8

II. P.M. agrees with External Affairs comments and thinks they should be sent by tel. to Washington. H.B. R[obinson] Aug. 28

III. DL-1062 signed by SSEA 28/8. R. C[ampbell]

[PIÈCE JOINTE/ENCLOSURE]

*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-1062

Ottawa, August 28, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 2621 August 22.†

Repeat for Information: CCOS.

EXERCISE SKY SHIELD II

Would you please express to the State Department our appreciation for being given an opportunity to comment on the proposed FAA release. We agree that the *Washington Daily News* article makes it difficult to urge radical revisions of the draft but nevertheless we fully support the State Department's opinion that the FAA draft should concern itself with the question of the interruption to air traffic.

2. In line with this view we would make the following comments:

(a) In the paragraph beginning "Exercise requirements call for ..." the words "some 2,000" should be deleted. It seems to us that mention of a specific number of participating military aircraft is open to misconception, both in North America and abroad and tends to sensationalize the exercise (and therefore is inconsistent with paragraph 1(6) of the press guidance), and is not vital to the substance of the FAA release.

(b) The reference to the participation of RAF Bombers in the same paragraph is agreeable provided it is also agreeable to the U.K. authorities.

(c) In the same paragraph the phrase "SAC 'aggressor' bombers" is inaccurate if there is to be RAF participation. In any event we believe that some such phrase as "bombers simulating 'attacking' forces" would be more felicitous.

(d) In the paragraph beginning "Reminding the general public ..." the words "thousands of" before "private pilots" should be deleted on the grounds that the use of these words tends to sensationalize the exercise.

(e) Delete in total the paragraph beginning "Doubling the Sky Shield Exercise ..." for the reason stated in paragraph one.

[H.C.] GREEN

367.

CEW/Vol. 3094

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

TELEGRAM 2691

Washington, August 29, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel DL-1062 August 28.

Repeat for Information: CCOS.

EXERCISE SKY SHIELD II

We have passed on today to Burgess (Canadian Desk) your suggestions on the proposed FAA release.

2. Burgess thought that the suggestions (b), (c) and (d) would be acceptable to State Department but believed that the reference to 2000 aircraft (suggestion (a)) had relevance in that it explained and justified to the public why such drastic interruption of air service was necessary. Similarly, it was thought that the paragraph regarding the doubling of the Sky Shield Exercise from six to twelve hours was necessary as an explanation of why the FAA was interrupting traffic for twice the length of time it had been interrupted last year. Burgess hoped that on reconsideration we might be prepared to waive suggestions (a) and (e).

3. With regard to (e) perhaps the paragraph would more nearly meet the point that the FAA draft should concern itself with the question of interruption to air traffic if it were couched along the following lines, "Doubling the period from six to twelve hours during which all commercial and general aviation flights are to be suspended is made necessary by the need to provide" etc. as in the present draft.

4. State Department would be grateful for early reply.

368.

CEW/Vol. 3094

Note du conseiller de l'ambassade aux États-Unis
Memorandum by Counsellor, Embassy in United States

SECRET

[Ottawa], August 30, 1961

EXERCISE SKY SHIELD

Tovell called me today regarding our telegram 2691 August 29. He explained that the most careful consideration had been given to the Canadian comments at a high level and that, indeed, the Prime Minister himself had approved the Canadian comments. We would appreciate the sensitivity of this matter in Canada. The Department was, therefore, reluctant to resubmit the counter-argument made by Burgess in respect of comments (a) and (e) unless they could be sure that this represented high level opinion in the State Department. Tovell asked me, in the light of the foregoing, to discuss the matter again with Burgess. I have done this and Burgess fully understands the situation. He has undertaken to have our comments reconsidered.

J.S. N[UTT]

369.

CEW/Vol. 3094

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

TELEGRAM 2786

Washington, September 7, 1961

RESTRICTED. OPIMMEDIATE.

Reference: Your Tel DL-1062 August 28.

Repeat for Information: CCOS.

EXERCISE SKY SHIELD II

State Department has passed to us text of FAA release which it is proposed to make available for Monday morning, September 11, newspapers. You will notice that the suggestions contained in your reference telegram have been accepted. Text begins: (Communications please repeat text of attached)† Text Ends.

370.

DEA/50309-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*

SECRET

Ottawa, October 16, 1961

EXERCISE SKYSHIELD II

Mr. Bryce, who attended Exercise Skyshield II in company with Mr. Elgin Armstrong, Deputy Minister of Defence, A/V/M de Niverville, Assistant Deputy Minister for Air, Department of Transport, and some RCAF officers, gave us a summary of his impressions on Monday.

2. His observations were based entirely on following the exercise at Truax Air Force Base at Madison, Wisconsin. This is one of the sector commands of NORAD and covers the Great Lakes areas down to Tennessee.

3. The Canadian officers were, so far as Mr. Bryce could see, given all the information they asked for. The exercise was mainly of the detection and interception functions of the NORAD Command. The main impression of the exercise was its extent. About 6,000 sorties were flown by fighters. In order to give the operators of the warning system and the fighters the most experience, the opposing bomber forces which included a contingent from the R.A.F.'s V-Bomber force, came in at rather more regular intervals and more dispersed than would probably be the case in an actual attack.

4. On the other hand, some of the incoming bombers came in at low level and electronic counter-measures were used to obstruct detection.

5. The efficiency of detection and interception was rated by Mr. Bryce as very high. This was based on good planning. Incidentally, as a precaution against possible Soviet attempts to use the exercise in order to invade or infiltrate the North American air space, the F-106's were not used in the exercise but were kept available for real interception.

6. The greatest shortcoming in the exercise was the demonstration of the weakness of the Command as a whole to radiological hazards and fallout. The Command has only a very small proportion apparently of its posts protected against radiation. The air strips can be rendered unusable or dangerous by fallout, and there is no provision for automatic washing of the air strips.

7. In conversation with United States officers and Canadian officers, there was no complaint about the cooperation forthcoming from Canada. There was no mention of nuclear weapons. Air Marshal Slemon was in charge of the exercise part of the time. General Kuter was in charge the rest of the time.

8. A fuller report will be forthcoming later from the NORAD Headquarters.

N.A. R[OBERTSON]

371.

DEA/50309-D-40

*Le sous-secrétaire d'État aux Affaires extérieures
au président du Comité des chefs d'état-major*

*Under-Secretary of State for External Affairs
to Chairman, Chiefs of Staff Committee*

SECRET

Ottawa, November 15, 1961

LARGE SCALE AIR DEFENCE EXERCISES

At the September meeting of the Permanent Joint Board on Defence there was an informal discussion, initiated by the U.S.A.F. member, regarding the possibility of working out an agreed procedure for obtaining approval for the planning and execution of large scale air defence exercise such as Exercise SKY SHIELD II. As this discussion was "off the record" there was no reference to it in the Board's Journal. No particular conclusion was reached except that both sides would look into the matter and be prepared to discuss it at the next meeting which is to be held in January.

We have been giving some thought as to the line Mr. Wilgress might take when the matter comes up for discussion at the Board and at the moment we are inclined to the view that to formalize the procedure which has evolved would be neither desirable nor practicable.

We would assume that both SKY SHIELD I and SKY SHIELD II proved to the satisfaction of both Air Forces that exercises of this nature are valuable both to the units participating in them and to the various elements of the NORAD Command structure and that from a service point of view, such an exercise could well be held annually. We would also assume that the generally favourable public reaction to these two exercises would make it easier to hold them regularly in the future. It seems likely therefore that such large scale air defence exercises will become a permanent feature of NORAD's operations.

In spite of this, however, I think there is much to be said in favour of not formalizing matters at least at this stage. The political implications of exercises of this nature are likely to vary depending on the international situation at the time the exercise is proposed to be held. Also, the procedures for obtaining approval to commence detailed planning, of press releases and of final governmental approval, which have been developed as a result of our experience with the two exercises held to date seem quite clear and although the various channels of responsibility are quite well defined there is sufficient flexibility which it is perhaps desirable under all circumstances to retain. Moreover, I am inclined to doubt whether Ministers for their part would wish to be tied down to any formal procedure, no matter how generally stated,

which could be taken to imply either that their approval could be anticipated as a matter of course or that they might be committed to grant approval.

Before reaching any final view on this matter, however, and before consulting my Minister, I should be grateful to have your comments and your suggestions as to what Mr. Wilgress might say at the next meeting of the Board.

N.A. ROBERTSON

372.

DEA/50309-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*

SECRET

[Ottawa], November 30, 1961

EXERCISE SKY SHIELD II

Officers of the Department have been briefed on the results of this exercise. The following points which emerged at this briefing may be of interest to you.

As you know NORAD's two principal roles are to provide for the air defence of North America and to provide a "safe passage" to enable SAC aircraft to take off from bases in the United States on pre-assigned strike missions during an air attack on North America. With regard to the first Sky Shield II indicated that NORAD could put up a respectable defence but this was not fool-proof nor perfect. The exercise, however, did show that NORAD would be able to fulfil its second task quite adequately and that most, if not all, SAC aircraft not on an air-borne alert would be able to take off and carry out their missions in both the pre-attack and attack phases.

It was stressed that the enforced grounding of all non-exercise aircraft had entirely justified itself both for reasons of safety and because through the use of various devices it was possible to conduct the exercises on as realistic a basis as possible within the resources of SAC and NORAD. It was also stated that exercises on such a scale ought to be held at least once every year as it is only by such means that essential lessons can be learned. In this regard it was pointed out that detailed planning for next year's exercise will commence in January, and if it is to go ahead the approval of each Government should be obtained by June 1 at the latest.

The particular lessons derived from Sky Shield II were as follows:

- (a) There is a need for NORAD to examine thoroughly the question as to how to cope with low-level attacking bombers, a very large percentage of which were able to reach their targets virtually undetected;
- (b) It will be necessary to give considerable thought to the problem of how to deal with hostile aircraft armed with air-to-surface missiles standing some 300 miles off the coast, i.e., outside the range of existing coastal radars of Nike anti-aircraft missiles;

(c) Of particular interest to Canada is the fact that the exercise proved to NORAD's satisfaction at least that there was need to re-examine the question of establishing air fields in Northern Canada for the re-deployment of interceptors to enable them to engage attacking forces before they come within range of centres of population, and in this way be able to take greater advantage of the early warning which would be received from the DEW line. This idea has been considered before, but has never been actively pursued because the cost of the necessary facilities would be almost prohibitive.

N.A. R[OBERTSON]

373.

DEA/50309-D-40

*Le président du Comité des chefs d'état-major
au sous-secrétaire d'État aux Affaires extérieures
Chairman, Chiefs of Staff,
to Under-Secretary of State for External Affairs*

SECRET

Ottawa, December 19, 1961

LARGE SCALE AIR DEFENCE EXERCISES

1. Reference is made to your letter of 15 November on the procedure for obtaining approval for the planning and execution of large scale air defence exercises.

2. The agreement between the Government of Canada and the Government of the United States of 12 May 58³⁴ concerning the organization and operation of NORAD laid down the principles to be followed in setting out the terms of reference of CINCNORAD, and stated that the details of these terms of reference were a matter for agreement between the Chiefs of Staff Committee and the Joint Chiefs of Staff. Agreement between JCS and COSC on these detailed terms of reference had already been reached at the time this Government to Government agreement was ratified.

3. In his terms of reference, CINCNORAD is charged with the operational effectiveness of the forces assigned to him in NORAD to carry out his assigned mission. These terms of reference state that, in carrying out his mission CINCNORAD will, inter alia, "plan for and conduct air defence exercises, including participation by augmentation forces."

4. CINCNORAD is responsible to the Joint Chiefs of Staff and to the Chiefs of Staff Committee. In accordance with his terms of reference, he uses this channel to obtain approval for large scale air defence exercises. JCS and COSC respectively follow their normal channels to their respective Ministers and they, in turn, to their respective governments to obtain the necessary authorities.

5. The above procedure has worked well in the planning and conduct of past exercises, and I see no valid reason to alter these arrangements. I agree with you that it is better not to lay down formal procedures.

F.R. MILLER
Air Chief Marshal

³⁴ Voir *Recueil des Traités du Canada*, 1958, n°9.
See Canada Treaty Series, 1958/9.

SECTION C

ACHAT RÉCIPROQUE D'AVIONS
RECIPROCAL PURCHASE OF AIRCRAFT

374.

DEA/50210-G-1-40

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

TELEGRAM 2979

Washington, December 1, 1960

CONFIDENTIAL (NO DISTRIBUTION). OPIMMEDIATE.

Reference: My Tel 2424 Sep 27.†

Repeat for Information: Prime Minister Ottawa, Finance Minister Ottawa, DDP Minister Ottawa, DND Minister Ottawa from Ottawa.

PROPOSAL SWAP DEAL – CL44S/F101BS/PINETREE

Yesterday I called on the Secretary of Defense to enquire where this matter stood. The Chairman of the Joint Staff accompanied me. You will recall that it had been decided not repeat not to press until after the Presidential election for a reply to the firm proposal I had submitted on September 22.³⁵ However, as there was still no repeat no word on my recent return from Canada, I felt, after my conversation in Ottawa with the PM, that I should raise the matter again with Gates referring to the latest exchanges between the Minister of Finance and the Secretary of the Treasury.

2. Gates told me that no repeat no final position on the part of USA Government had yet been reached. The reply to our offer which the Department of Defense proposed had still to be cleared with the Department of State and, in view of the interest of the Prime Minister and the President, with Mr. Eisenhower himself. At the same time the Secretary indicated to me frankly that the conclusion reached by his Department was that our proposal could not repeat not now be accepted for budgetary, economic and technical reasons. As a counter suggestion, Defense proposed the provision of fighters to RCAF squadrons against Canadian manning of Pinetree but without any USA purchase of Canadian aircraft. In this connection Gates emphasized the deterioration of USA budgetary position since the Montebello meeting in July. He was now having to make provision under a strictly limited ceiling for a number of other defence requirements not repeat not earlier foreseen. As a consequence, it was not repeat not possible to find the cash for Canadian aircraft. In addition, the position of the USA aircraft industry had further deteriorated and finally the USAF continued not repeat not to want the CL44.

3. My immediate response was to point out with emphasis the serious consequences in Canada of a USA rejection of the Canadian offer, particularly after the long delays encountered (on both sides) and the public expectations aroused. I reviewed once more the difficulties which the Canadian Government had had to overcome in arriving at the proposal submitted in September and referred again to the importance to our Joint Defence relationship which the Prime Minister and the Ministers chiefly concerned attached to USA purchase in this context of Canadian aircraft. I recalled Mr. Diefenbaker's mention of the matter to

³⁵ Voir/See Volume 27, document 298.

Mr. Eisenhower on two occasions (in Washington³⁶ and New York)³⁷ and the recent message communicated through Mr. Fleming and Mr. Anderson.³⁸ Speaking personally, I said that I thought there would be no repeat no chance in the foreseeable future of the government accepting a two-way deal of F101Bs on the one hand for manning Pinetree stations on the other. I added, in reference to the Secretary's emphasis upon his current budgetary dilemma, that I did not repeat not know whether there was any room for manoeuvre in regard to the financial contributions of the two governments. Perhaps this could be further explored. But I was satisfied that only a three-cornered deal would be acceptable from the Canadian point of view.

4. This was the substance of our exchange on the subject. As, however, it had still to be dealt with by the Department of State, I asked the Secretary to hold up further action upon [Group Corrupt] proposed answer until I had had an opportunity of seeing the Secretary of State and urging the larger political considerations. This Gates readily agreed to and I am to see Herter Monday afternoon next, December 5. Thereafter I will report again and let you know what further steps, if any, might, in my judgment, usefully be taken at the top level even at this late stage. I am bound to add, however, that the auspices are not repeat not good.

5. Last evening I reported by phone to the Prime Minister (through the Secretary to the Cabinet) and this morning I have recounted these developments to A.E. Ritchie in the Department. Hendrick has also reported briefly by phone to the Chairman of the Chiefs of Staff for the Minister of National Defence.

6. Please limit strictly the distribution of this message.

[A.D.P.] HEENEY

375.

DEA/50210-G-1-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 3009

Washington, December 5, 1960

CONFIDENTIAL (NO DISTRIBUTION). OPIMMEDIATE.

Reference: My Tel 2979 Dec 1.

Repeat for Information: Prime Minister Ottawa, Finance Minister Ottawa, DDP Minister Ottawa, DND Minister Ottawa from Ottawa.

PROPOSED SWAP DEAL – CL44S/F101BS/PINETREE

This afternoon I called on the Secretary of State to urge upon him the importance of a favourable USA reply to our proposal of September 22. Livingston Merchant, Under-Secretary of State for Political Affairs, was with Herter.

2. Although the Secretary was familiar with the history, I reviewed with him the principal features and recounted the conversation which I had had on November 30 with his colleague the Secretary of Defense. While we recognized, I said, that there were budgetary, economic and technical objections on USA side, these we believed were outweighed by larger

³⁶ Voir/See document 315.

³⁷ Voir/See Volume 27, document 299.

³⁸ Non retrouvé./Not found.

considerations in the defence relations between our two countries. Again I emphasized the serious consequences in Canada of a collapse of the negotiations and left no repeat no doubt in Herter's mind that, in my judgment, no repeat no deal which did not repeat not involve the purchase of Canadian aircraft would be acceptable to us. Finally I said that I hoped that, despite the position arrived at by the Department of Defense, he would advise the President that a favourable answer should be given us.

3. In response Herter said that he would certainly weigh carefully the arguments that I had advanced, the importance of which he did not repeat not deny. The difficulties of the Department of Defense however were genuine ones, particularly against the background of the current USA difficulties with respect to their balance of payments (even though the Canadian position, admittedly, was different from that of other Allies). It would be some days before he himself had had an opportunity to explore it further and consult with the Secretary of Defense prior to advising the President.

4. Although my reception was entirely cordial, Herter remained non-committal which is not repeat not, I think, surprising in the circumstances. I am satisfied that he will make a genuine re-examination of the various factors and that he will weigh carefully the larger considerations to which I gave emphasis. The outcome is impossible to forecast, however, and, if the Prime Minister is disposed to weigh in once more, he might perhaps consider a brief personal letter to the President reminding him of his earlier conversations and urging the importance in terms of our general defence relations of a favourable response to our offer. Such a letter could be sent by telegram and communicated through me, and should be timed, I think, to arrive by Thursday or at latest Friday of this week. Gates leaves for the NATO meetings on Saturday next, December 10, and Herter on Monday December 12.

[A.D.P.] HEENEY

376.

DEA/50245-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 41

Washington, January 4, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: My Tel 3009 Dec 5/60.

Repeat for Information: Prime Minister Ottawa, Finance Minister Ottawa, DDP Minister Ottawa, DND Minister Ottawa from Ottawa.

PROPOSED SWAP DEAL – CL44S/F101BS/PINETREE

This afternoon Livingston Merchant, Under-Secretary of State for Political Affairs, asked me to call on him at the State Department to inform me that, after consultation with the President, it had been decided reluctantly that the decision of USA Government upon our proposal of September 22 would have to be negative. Consequently the Secretary of Defense would be communicating with me in the sense he had indicated on November 30 as reported in paragraph 2 of my telegram 2979 December 1. You will recall that, on that occasion, Gates had told me that the Defense Department had reached the conclusion that our proposal could not repeat not be accepted for budgetary, economic and technical reasons and that they intended to propose the counter-suggestion of providing fighters to RCAF squadrons against Canadian manning of Pinetree but without any USA purchase of Canadian aircraft.

2. I understand that the Secretary of Defense had intimated to the Minister of National Defence at the recent NATO Ministerial Meeting in Paris that the USA response would be that reported to me by Merchant today. Nothing further of consequence transpired in our conversation other than an expression of regret by Merchant that it had not repeat not proved possible to include purchase of Canadian aircraft in any deal which USA could accept. I now expect the formal reply to our offer to be communicated to me from the Defense Department for Mr. Harkness and I will, of course, forward it immediately it is received.

[A.D.P.] HEENEY

377.

DEA/50245-40

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

TELEGRAM 132

Washington, January 12, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 41 Jan 4.

Repeat for Information: Minister DND (OpImmediate) from Ottawa.

PROPOSED SWAP DEAL – CL44S/F101BS/PINETREE

This afternoon I received the letter quoted in paragraph 2 of this message from the Secretary of Defense to the Minister of National Defence. The covering note to me is dated January 11 and expresses Mr. Gates' hope that their counter proposal will be acceptable to the Canadian Government.

2. Text begins: Dear Mr. Harkness:

The purpose of this letter is to confirm our conversation in Paris on December 16. As I indicated to you then, we have studied with great care and interest Mr. Pearkes' proposal of September 22, 1960, which may be summarized as follows:

(a) Over a period ending April 1, 1963, Canada would take over (1) manning, operation and maintenance of the eleven Pinetree radar sites in Southern Canada; and (2) the operation and maintenance of five Pinetree radar sites manned by the RCAF but paid for by the USAF. This would be for the duration of the NORAD agreement (May 11, 1968) or for such other period as would be agreed.

(b) USA would make available to Canada 66 F101B aircraft, with supporting equipment, for the use of RCAF squadrons. Two-thirds of the cost of the spares and other related USA equipment would be borne by USA and one-third by Canada.

(c) USA would procure CL44 aircraft in the amount of \$155 million.

I believe that this proposal holds promise for improving the air defense of the North American continent. I regret, however, that we cannot repeat not agree to procure CL44 aircraft as to do so without receiving cash for the F101Bs would completely disrupt our transport procurement program and disregard congressional advice. Also, the situation of our own transport aircraft industry presents much more of a problem than was the case six months ago.

We continue to believe that it is important in the interest of our mutual defense that we take such steps as we can to assist in your modernizing your air defense forces. Accordingly, we would undertake to transfer 66 F101B aircraft to Canada and to bear the full cost of ground

support equipment and initial spares, and we would ask that you undertake to operate 11 Pinetree sites without any change in the status of the remaining 5.

Thus, our counterproposal is that:

- (a) Over a period ending April 1, 1963, Canada would take over the manning, operation and maintenance of the eleven Pinetree radar sites in Southern Canada for the duration of the NORAD agreement (May 11, 1968) or for such other period as would be agreed.
- (b) USA would make available to Canada 66 F101B aircraft with ground support equipment and initial spares for the use of RCAF squadrons.

Please let me know if you agree in principle. If so, we can have the RCAF and USAF work out the implementing arrangements. Sincerely yours, (signed) Thomas S. Gates. Text Ends.

3. Very unfortunately the nature of USA response has been leaked to the press by the Pentagon. We here, however, have refused to confirm or deny the letter's existence.

4. The original is being sent to Mr. Harkness by bag.

[A.D.P.] HEENEY

378.

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], February 20, 1961

PROPOSED AIRCRAFT SWAP DEAL

We have been studying the proposals outlined in Washington telegram 515 of February 18th (copy attached) which were advanced by the Deputy Secretary of Defence to Mr. Heeneey and Mr. Golden as a counter-offer to the Canadian proposal for a CL-44 – F101 – Pinetree swap arrangement. The following preliminary observations on aspects of the U.S.A. offer of particular concern to this Department may be useful to you in discussions with your colleagues.

2. It is our understanding that the objectives of the original Canadian proposal were:

- (a) to support production of a unique Canadian design of aircraft;
- (b) continuation of a high level of production and employment at CANADAIR;
- (c) establishment of a significant production-sharing *quid pro quo* to justify the acquisition of a U.S. interceptor to replace the CF100 and the canadianization of the Pinetree radar line, and to encourage public support of the joint defence programme of the two Governments.

3. While we agree with Mr. Heeneey's comment that the U.S.A. proposals represent a genuine effort by the Department of Defence to meet the Canadian situation constructively it is regrettable that the possibility of production sharing lies with an aircraft which is of U.S.A. design and intended for employment in Europe, potentially in a nuclear role, rather than one which incorporates unique Canadian design features or is primarily for use in the direct defence of North America. Moreover, unlike the CL-44, the 104 would not have a dual civil-military capability and its production would not, therefore, represent a contribution to improved air communications to meet non-military as well as military requirements.

4. Of the three possibilities envisaged by the U.S.A. (sub-contracts in connection with the proposed new U.S. jet transport, sub-contracts for U.S. produced 104's, and Canadian production of 104's) the last one seems most nearly to meet Canadian requirements, although DDP will no doubt wish to make a technical comparison and confirm that from the production point of view this is actually the case.

5. Another aspect of the U.S.A. proposal which will require careful consideration is that Canada consider making a contribution of up to one-third of the cost of the aircraft as Mutual Aid. (The telegram from Washington indicates that the total amount of the order would be about \$150 million but we understand from DDP that this figure should be considered as illustrative of the order of magnitude only.) It would seem reasonable that if we were to make such a contribution it should be based on the value of the Canadian content of the aircraft rather than on the total cost, and that Canada should have a voice in the decision as to which governments are to receive the Mutual Aid (it is understood that the countries which are to receive the aircraft are Norway, Denmark, Greece and Turkey). In principle, from the External Affairs point of view we think there would be some advantage to a Canadian Mutual Aid contribution because our current programme has shrunk almost to the vanishing point and has been a subject of some criticism during the last two NATO Annual Reviews.

6. Finally, although it was not stated as a condition of carrying out the proposal, the U.S.A. Deputy Secretary of Defence gave Mr. Heeney and Mr. Golden to understand that the U.S.A. would anticipate the advancement of negotiations with respect to the stockpiling of nuclear weapons for Canadian forces in Canada and Europe and for U.S. forces in Canada.

G. I[GNATIEFF]
for Under-Secretary of State
for External Affairs

[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 515

Washington, February 18, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 454 Feb 15.†

Repeat for Information: Prime Minister Ottawa, Minister of Finance Ottawa, DND Ottawa, DDP Ottawa, CCOS Ottawa, Secretary to the Cabinet (Bryce) Ottawa (OpImmedate) from Ottawa.

PROPOSED AIRCRAFT SWAP DEAL

The Deputy Minister of Department of Defence Production and I have just returned from seeing the Deputy Secretary of Defense (Gilpatrick) and the Assistant Secretary for International Affairs (Nitze). I had been asked by Gilpatrick to see him this morning to hear, in a preliminary way, the results of their further consideration of this whole matter, particular in relation to possible purchases by USA of Canadian aircraft. I took advantage of Golden's presence in Washington to have him along as well as Teeter, Director of Department of Defence Production Office here and the Chairman of the Joint Staff (Hendrick).

2. Gilpatrick began by confirming what we already knew, namely, that officials of Defense and the Department of the Air Force, had been re-examining very actively our proposal and possible alternatives which would include substantial USA defense purchases in Canada. They had reluctantly come to the conclusion that it would not repeat not be possible for the USAF to make any purchases of Canadian transport aircraft; their programme for interim airlift requirements was complete, that was until the projected all-jet cargo transport (SOR) was ready.

3. Having reached this conclusion concerning the CL44, Gilpatrick continued, USA officials had gone into other possibilities for comparable outlays in Canadian defence industry which would assist Canada in maintaining a substantial military aircraft manufacturing establishment. Three possibilities had emerged: the first would involve Canadian participation, perhaps to the extent of some \$100 million the new USA jet cargo/transport (SOR) programme through direction to the successful USA bidder to subcontract important elements to Canadian manufacturers; the second and third would involve Canadian participation in USA programme for F104G fighter/interceptors for NATO forces under Mutual Aid.

4. With respect to the F104G programme, the Deputy Secretary went on, one course would be to have Lockheed (the Prime USA Contractor) subcontract to Canadair to the extent of say \$100 million; a second course would be to divide the programme into two complete production lines, one at Lockheed and the other at Canadair. (The total USA programme is for about 480 aircraft at the rate of 100 a year, subject of course, to the availability of funds.) Under this scheme, Lockheed and Canadair would each be producing about four aircraft a month.

5. It was evident that in their search for alternatives to CL44, purchase, USA Defense Department have been trying to find something that would mean comparable expenditure in Canada. In this connection, Gilpatrick estimated that about \$155 million would be involved in a Canadair shared F104G programme of the sort last described above, although the arithmetic is still far from precise. Because of the amount involved and because it would call for the production of a complete aeroplane in Canada, Gilpatrick thought that this last suggestion would come most nearly to meeting Canadian requirements. We therefore went on to discuss it without further reference to the two first possibilities he had mentioned.

6. Two important elements are involved in agreement in a joint programme of this character: first, Gilpatrick said that, if a separate production line were to be set up at Canadair, the USA would hope that Canada would wish to make some suitable contribution to the total expenditure as a Mutual Aid undertaking. (No repeat no amount was mentioned but it seemed that something less than a third of the total had been in his mind); second, although he was very careful not repeat not to suggest that this was in any way a condition of the proposal, the Defense Department hoped that such a substantial undertaking in our joint defence production programme would make an important positive contribution to our defence relations generally.

7. In answer to a question by Golden, Gilpatrick said that, if agreement were reached along the lines of the suggestion last described, it would not repeat not, preclude Canadian industry from bidding on USA for programme as subcontractors, but in such circumstances the Department of Defense would not repeat not of course “direct” that subcontracts be placed in Canada.

8. Gilpatrick said that these suggestions were at this stage only tentative. USA wished to have a preliminary reaction from us before anything formal were to [be] sent forward to us. Further, they related only to that portion of our proposal (of September 22 last) which had to do with the purchase of Canadian aircraft. That was to say, Pinetree maintenance and fighter acquisition by the RCAF would also be included presumably on the conditions we had proposed subject to detailed discussion.

9. Finally, the Deputy Secretary said that the suggestions he had put forward to us informally today had emerged from a general review of defense relationships between USA and Canada. USA were anxious to make an important and constructive move in the defense production sharing programme. There were, as we knew, other important aspects of our joint defence where questions remained to be settled. For example, we had not repeat not, yet reached agreement on questions of nuclear armament for Canadian forces, storage of special weapons and joint control in respect of Bomarc installations in Canada (he also mentioned SAC overflight arrangements) and intimated that it was the hope of USA authorities that conclusion of these outstanding matters to our mutual satisfaction would be facilitated by the kind of arrangement we were discussing.

10. At the conclusion of our talk, we agreed that, in view of the particular sensitivity of this whole matter, press enquiries on either side would be answered with a statement along the following lines: the Deputy Minister of Defense Production was in Washington for discussion with those now in charge in USA Department of Defense for continuation of the joint Canada-USA defence production sharing programme. To any questions regarding the so-called swap deal, the reply would simply be that this was still under consideration by USA authorities.

11. In case the Prime Minister should raise with the President at their meeting on Monday February 20, any matter related to defense production, the Department of Defense will be briefing Mr. Kennedy, though in pretty general terms. I gathered that their aide-mémoire to the White House will make reference to our conversation this morning, although it is not repeat not, expected that the President and the Prime Minister will get into any of the detail. Our reaction to the suggestions put forward to us by Gilpatrick this morning will only be anticipated after the experts in Ottawa have had an opportunity of examining what is involved and discussing them in detail with the USAF.

12. Golden and I are satisfied that the proposals put forward by Gilpatrick and Nitze this morning represent a genuine effort by the Department of Defense to meet our situation constructively. There is no repeat no doubt whatever that their examination of our original proposal including in particular, USAF purchase of Canadian transport aircraft has been gone into both sympathetically and exhaustively. When we were talking this morning, the Secretary of Defense came in and spoke to us. He said that he thought we would find their proposals interesting and he made it quite clear that he, himself, had taken a personal interest in seeing to it that something really constructive was proposed.

13. Finally, I told Gilpatrick that we would communicate their suggestions at once to the Prime Minister and Ministers concerned in Ottawa and that our response would not repeat not, be long delayed. I gather that if our answer is favourable in principle, our respective officials will then get together on the detail and after that a formal reply will be made to my letter of February 3.

[A.D.P.] HEENEY

379.

DEA/50210-G-1-40

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

TELEGRAM 567

Washington, February 23, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 515 Feb 18.

Repeat for Information: Prime Minister Ottawa, Finance Minister Ottawa, DND Minister Ottawa, DDP Minister Ottawa, CCOS Ottawa, Secretary to Cabinet Ottawa (Bryce) from Ottawa.

PROPOSED AIRCRAFT SWAP DEAL

This morning I learned that DDP and Air Force officers of ours had been in touch with the Pentagon to explore with them in a preliminary way details of the suggestion put to me by the Deputy Secretary of Defense February 18 and reported in my reference telegram. I also understand that officials in Ottawa have the matter under consideration with a view to making an early report and recommendation to the Cabinet.

2. When the Prime Minister saw the President on Monday last, February 20, he emphasized the importance in Canada's defence relations with USA of larger joint defence production in Canadian factories. In that connection, Mr. Diefenbaker expressed appreciation of the current effort being made by USA Department of Defense as evidenced by the proposal put forward by the Deputy Secretary for sharing the F104G programme.

3. Because of the importance of the latest USA counter proposal, I am most anxious that it should be pursued as actively as possible. For this reason, if the Government are favourable to concluding an arrangement on the basis of USA suggestion for sharing the F104G programme as described in my reference telegram, I believe that I should be instructed at the earliest possible date to communicate to the Defense authorities here our agreement in principle. The actual negotiations covering the precise conditions, financial and otherwise, would then fall into a second stage permitting a full exploration of details before a final agreement is concluded.

4. I believe that if the decision in Ottawa is favourable it is particularly important to indicate our broad agreement to the concept, subject to the detailed technical explorations required, as promptly as possible. If there are delays in doing this, there is a danger of further press leaks (I am told that there is a story on this subject in the current *Financial Post*) which the consequential dangers that congressional and public elements in this country will be moved to make representations to the Administration against such a programme involving substantial orders for Canadian industry.

[A.D.P.] HEENEY

380.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], February 25, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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AIRCRAFT "SWAP"
(Previous reference September 21, 1960)

16. *The Minister of Defence Production* said that some time previously the U.S. government had informally advised that they were not interested in procuring the CL-44 transport aircraft from Canada. The U.S. Defence Department had, however, outlined various other proposals to the Canadian Ambassador. If it should be decided that Canada was interested in any of these proposals, a team of Canadian officials should be sent to Washington immediately to discuss the possibilities in greater detail with the U.S. authorities. The question was particularly urgent because newspaper reports on a possible aircraft "swap" had appeared recently, and the Lockheed Aircraft Company was trying to forestall the production of any F-104 aircraft in Canada.

If an arrangement could be made for the production of these aircraft in Canada, the shrinkage in the Canadian aircraft manufacturing industry could be arrested. A greater amount of continuing employment might be provided in this country than would have resulted from the original proposal involving the CL-44 aircraft, and the employment would be diffused over a wider area. The Orenda Engine plant would then be able to continue in operation until 1964, and Canadair would make the airframes. The Canadian electronic industry would also benefit greatly.

17. *The Minister of National Defence* said three tentative proposals had been made by the U.S. The first would involve an expansion of \$100 million in the value of production-sharing contracts for various kinds of military equipment. A second would involve subcontracts to Canadian plants for parts and assembly of F-104 aircraft to a value of \$100 million. A third

proposal would involve the complete production in Canada of 96 of the F-104 aircraft, at a rate of 4 per month, with an option to produce a further 96 thereafter. These aircraft would be produced under the mutual aid programme for N.A.T.O. allies, Canada paying 30 per cent and the U.S. 70 per cent of the cost.

If the swap deal was agreed to, Canada would receive 66 of the F-101B aircraft, and would assume responsibility for the manning and operation of 11 radar stations on the Pinetree line which were now manned and operated by the U.S. This aspect of the proposal was similar to the “swap” discussed last autumn, except that in the original proposal Canada would also have been expected to pay the cost of 5 additional Pinetree stations now manned by Canada but operated at U.S. expense, and to pay \$16 million in cash to the U.S. Under the original proposal the U.S. would have bought CL-44 aircraft from Canada at a price of about \$155 million, whereas under the new proposals the U.S. was, in effect, offering contracts to the value of \$100 million to sustain the Canadian aircraft industry as part of the North American defence potential.

An explanatory memorandum had been circulated, (Memorandum, Minister of National Defence, Feb. 24 – Cab. Doc. 81-61).†

18. *During the discussion* the following points were raised:

(a) Some Ministers said that a policy decision on such a major proposal should not be made until more information became available. The suggested 30 per cent share in the cost of the F-104 aircraft would involve \$24 million a year, to which would be added the cost of operating the Pinetree stations. Other Ministers said that the team of officials should not be sent to Washington unless the government of Canada was willing in principle to accept one of the three proposals.

(b) The Canadian scale of manning and operation of Pinetree stations would be appreciably higher than the U.S. standard. The personnel on a station would be increased from 175 to about 325, and, if normal Canadian policies applied, the Canadian troops would be entitled to be accompanied by their families. Construction of family accommodation and other amenities would therefore be involved. On the other hand during the discussions of the original “swap” proposals, the Cabinet had accepted the principle of manning the Pinetree stations.

(c) Some Ministers said the F-104's would be delivered to Greece, Turkey, Denmark and Norway, while other Ministers said that Korea and Nationalist China, rather than Denmark and Norway, had been designated. As Korea and Nationalist China were not N.A.T.O. countries, it did not seem appropriate to supply the aircraft to them under the Mutual Aid Plan. In any case the economy of most countries of Europe had strengthened markedly during the past few years, and the stronger European countries should be able to provide any necessary mutual aid to the weaker ones. Canada should not at this time increase the scale of its contribution to mutual aid in Europe.

(d) The F-101B aircraft was the most effective interceptor for use against heavy bombers, and was eminently well suited to Canada's defence needs. The day of the bomber was not fading as rapidly as had formerly been expected, partly because the Standoff bomber had a greatly increased striking power.

(e) There were also important political reasons for obtaining an interceptor aircraft at this time as tangible evidence of a positive defence policy. The Liberal party had espoused a policy of restricting the Canadian defensive role in North America to the identification of enemy aircraft, which members of the government had termed “bird watching” and this in effect would increase Canada's dependence upon the U.S. The C.C.F. party was proposing that Canada should withdraw from N.A.T.O. and NORAD, and this too would increase Canada's dependence upon others in defence matters. The situation had greatly changed since the cancellation of the Avro Arrow programme early in 1959, partly because the bomber had

continued to be an important threat supplemented as it was by air launched missiles. Furthermore the F-101B would cost only about \$1½ million as compared with about \$12 million each for the Arrow.

(f) The F-101B was capable of being armed with either conventional or nuclear weapons, but the choice on this subject would be for decision later. The aircraft would in normal course be delivered with conventional air-to-air missiles, and not with nuclear missiles. No doors should be closed at this time, and any public statements on nuclear policy would be made by the Prime Minister.

(g) Some Ministers said that, instead of taking over the Pinetree stations, the government should purchase the F-101B aircraft from the U.S. Other Ministers said that serious political embarrassment would be created if Canada bought the aircraft or received them as a gift from the U.S.

19. *The Cabinet* agreed,

(a) that an aircraft “swap” arrangement of the kind described in a memorandum of February 24th submitted by the Minister of National Defence (Cab. Doc. 81-61) and as further explained by him and the Minister of Defence Production, would be acceptable in principle; and,

(b) that a team of officials from the Departments of Defence Production, National Defence, Finance and External Affairs should proceed at once to Washington to explore the various possibilities with the U.S. authorities and to report to Ministers as soon as possible.

R.B. BRYCE
Secretary to the Cabinet

381.

H.C.G./Vol. 11

*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 1, 1961

PROPOSED AIRCRAFT SWAP DEAL

Attached is a copy of the report† prepared by the representatives of the Departments of National Defence, Defence Production, Finance and External Affairs, who participated in discussions with United States officials in Washington on February 28 pursuant to the decision by Cabinet on February 25 that further information be obtained on the proposals made to the Canadian Ambassador and the Deputy Minister of Defence Production by the U.S.A. Deputy Secretary of Defence on February 18. I understand that it is intended that this matter should be further considered by Cabinet prior to the departure of the Prime Minister for London.

2. I am informed by the External Affairs representative at the discussions (Mr. Barton) that it was evident that the Departments of State and Defence, at the policy level, are anxious to come to an early arrangement which will be satisfactory to the Canadian Government. It was equally evident however that the U.S.A. authorities will have to overcome vigorous opposition from the U.S. aircraft industry and also from some officials in the Pentagon who would like to see the settlement of other Canada-USA defence arrangements made a condition precedent for conclusion of the swap deal. The situation is made more difficult by leaks to the press, no doubt by those opposed to the project, which seem impossible to prevent in Washington.

3. In this connection I should inform you that our Embassy in Washington has reported that it has learned that a story by Knowlton Nash will be appearing in the *Financial Post* of March 2. It is understood that the story reports the visit of Canadian officials to Washington and assumes that the purpose was to continue negotiation of the swap deal, the negotiation of which is supposed to be reaching a critical stage. It is also understood that the story states that there are some in the Pentagon who would insist that any agreement should be conditional on the satisfactory conclusion of negotiations with respect to nuclear weapons and overflights but that this is being resisted by the State Department.

4. The Canadian officials who went to Washington did not see Nash or any other representative of the press, and in the course of the discussions with the U.S. officials both sides emphasized the importance of maintaining security.

N.A. R[OBERTSON]

382.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], March 2, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale)
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

AIRCRAFT "SWAP" ARRANGEMENTS
 (Previous reference February 25)

10. *The Minister of National Defence* said that officials had made a report on their discussions with the U.S. State and Defence Departments on alternative proposals for aircraft "swap" arrangements. All three proposals involved the manning and operation by Canada of 11 Pinetree radar sites plus assumption of the costs of five others. In all three cases the United

States would make available to Canada 66 F-101B aircraft. The principal differences related to the production contracts to be carried out in Canada.

The first proposal involved directed procurement in connection with the U.S.A.F. Jet Transport programme to the value of \$100 million in sub-contracts. This proposal would have little value for Canada.

The second proposal would be the procurement of components for the U.S.A.F. F-104G programme to the value of \$100 million in sub-contracts. This would give rise to the difficulty of separating out the business which Canada would receive in any case as “normal” production sharing. Because the contracts would be principally for airframes, the resulting employment in Canada would not be widely diffused.

The third proposal would be the directed procurement of complete aircraft for Mutual Aid valued at \$155 million. During the negotiations the U.S. representatives had proposed that the U.S.A.F. order be increased to \$150 million, so that with the Canadian Mutual Aid contribution the total order would be about \$200 million and the manufacturing period would be approximately three years. About 135 complete aircraft would be produced, and they would be sent to N.A.T.O. countries only. This proposal would yield the greatest amount of employment in Canada. It had been estimated that the contract would give employment for 7,500 persons in aircraft production for three years, plus an equal number in subcontract work. The Canadian share of cost would be 25 per cent instead of 30 per cent.

An explanatory memorandum had been circulated, (Report of Officials, March 1 – Cab. Doc. 99-61).†

11. *During the discussion* the following points were raised:

(a) The third proposal might also enable Canada to obtain contracts during the next 8 to 10 years for spare parts for the several thousand F-104 aircraft in operation in various countries.

(b) An increase in Mutual Aid at this time appeared anomalous, but this element was necessary if the U.S. administration was to have any reasonable prospect of obtaining Congressional approval. The U.S. government was under heavy pressure to award this production contract in that country for reasons of employment. Canada’s \$50 million contribution would procure employment in this country to the value of \$200 million. It would also strengthen the argument of the government of Canada that other Mutual Aid contributions by this country should be tapered down.

(c) The U.S. authorities had indicated that they might not be able to transfer title to the F-101B aircraft to Canada because of the indirect method of payment. The U.S. officials hoped to overcome this difficulty but otherwise might have to resort to a “lease” formula. Some Ministers said that a leasing arrangement would give the appearance of increasing Canada’s dependence upon the U.S., and that R.C.A.F. personnel should not be expected to fly leased interceptors. Other Ministers said that Canada had permitted the U.S. to operate and pay the cost of the Pinetree stations, and that if nuclear weapons were used in Canada they would probably be leased to Canada until the day they were used in combat. Canada had never taken lend-lease, however, and if possible the title to the F-101B aircraft should be transferred to this country.

(d) Some Ministers said that, instead of paying \$155 million over 8 years for the Pinetree stations plus \$50 million as a Mutual Aid contribution, the government of Canada should invest \$200 million directly in the Canadian aircraft industry. Other Ministers said that if this course were followed Canada would not receive the interceptor aircraft and the U.S. control of the radar stations in Canada would continue.

12. *The Cabinet* agreed that the government should express forthwith to the U.S. government its desire to enter into an arrangement along the lines of proposal (c) of the alternatives discussed by Canadian officials in Washington, as set forth in Cabinet Document 99-61 of March 1st, modified as proposed to increase the size of the U.S.A.F. order for F-104 aircraft to \$150 million, to be accompanied by a Canadian order of \$50 million for mutual aid to N.A.T.O. countries, on the understanding that all possible efforts would be made to work out the arrangements in such a manner as to avoid Canada receiving the F-101B aircraft as lend-lease.

...

383.

DEA/50210-G-1-40

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

TELEGRAM 669

Washington, March 3, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 665 Mar 3.†

Repeat for Information: London (for Prime Minister) (OpImmediate), Minister DND Ottawa, Minister Finance Ottawa, Minister DDP Ottawa, CCOS Ottawa, Secretary to Cabinet Ottawa (OpImmediate) from Ottawa.

PROPOSED AIRCRAFT SWAP DEAL

Following is text of informal memorandum which I sent to Secretary of Defense today: Begins

On February 3 the Canadian Ambassador submitted to the Secretary of Defense proposals of the Canadian Government in the field of joint defence cooperation and the defence production sharing programme. In summary, the proposals contemplated provision by USA of modern interceptor aircraft for the RCAF, procurement from Canadian production of CL44 transport aircraft and the assumption by Canada of responsibility for the manning, operation and maintenance of certain radar sites of the Pinetree line.

On February 18, the Deputy Secretary of Defense informed the Ambassador, orally, that it would not repeat not be possible for USAF to make any purchases of Canadian transport aircraft. Three possible alternatives were made to that part of the Canadian proposal providing for procurement by USA of CF44 transport aircraft:

(a) Directed procurement in connection with USAF SOR182 jet transport programme to the value of approximately \$100 million in subcontracts.

(b) Directed procurement in connection with USAF Mutual Aid F104G production programme in USA (Lockheed) to provide approximately an additional \$100 million in subcontracts.

(c) Directed procurement of complete F104G aircraft for Mutual Aid valued at \$155 million; this cost to be shared, in agreed ratio, by USA and Canada.

On February 28 Canadian officials met with USA officials to investigate these various possibilities. With regard to the alternative (c), the following suggestions were made:

(1) Subject to working out details, USA would contract for complete aircraft; that is, contracts would be spread widely through related Canadian industry.

(2) The total value of the order would be \$200 million, being financed as a Mutual Aid programme for NATO with Canada contributing \$50 million or 25 percent of the total cost.

(3) Deliveries would commence at about May 1963, at the suggested rate of four aircraft a month and would continue for approximately three years.

The Canadian Government desires to enter into an arrangement along the lines of alternative (c), including the suggestions (1), (2) and (3) above, on the understanding that the total order for 104G aircraft in Canada would be \$200 million, that it would be a Mutual Aid programme for NATO and that the Canadian contribution would be \$50 million; this arrangement to take the place of Item VI in the Annex to the Ambassador's letter of February 3, 1961, to the Secretary of Defense.

The arrangement between the two governments would, of course, have to include satisfactory terms of transfer of the F101 aircraft to the RCAF; that is to say, the Canadian Government would wish to avoid receiving these aircraft under anything in the nature of grant aid. Ends.

[A.D.P.] HEENEY

384.

CEW/Vol. 3175

*Le directeur du Bureau du Département de la Production pour la défense,
l'ambassade aux États-Unis,
à l'ambassadeur aux États-Unis*

*Director, Department of Defence Production Office,
Embassy in United States,
to Ambassador in United States*

SECRET

[Washington], March 10, 1961

I have had further discussions this afternoon with the General Counsel of USAF concerning progress in staffing your amended proposal submitted to Secretary McNamara a week ago.

The position paper is completed and Mr. Max Golden hopes to discuss it with Mr. Gilpatric late this afternoon or Monday. If acceptable in its broad terms to Mr. Gilpatric and Mr. McNamara, clearance will commence with the Department of State, Bureau of the Budget and key members of the Armed Services and Appropriations Committees of the Senate and the House.

I am hoping that if the USAF paper is acceptable to him, Mr. Gilpatric will see his way clear to at least talk to you on the telephone to report progress and to indicate the likely timing of a formal written reply to the Canadian proposal.

My contacts in USAF have suggested to me that their very detailed work on the project this week has pointed up two problem areas which have not heretofore been highlighted in any discussions with Canadians, and will have to be resolved in ensuing negotiations with us. They were not prepared to divulge these at the moment but I am hoping that we will be brought into the picture, on an informal basis, in advance of any written reply to you so that we are informed in advance on any complicating factors. Group Captain Van Camp and myself have had several discussions in the last couple of days with respect to the configuration of the F-101B aircraft which might be transferred to Canada. The last information the Group Captain has received from his Pentagon contacts today is to the effect that the 101's perform their designated mission only when they utilize their nuclear capability. This includes the MB-1 missile with the two GAR-2A infrared homers.

The last word we have had is that any response from the Americans will not make this capability mandatory in respect of Canadian deployment within NORAD but they will point out in fairly strong language that the weapon system can only perform its required role if this missile is used. It may well be that this is one of the factors for further consideration which Max Golden's office hinted at this afternoon.

J.A. TEETER

385.

CEW/Vol. 3175

*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*

SECRET

[Washington], March 14, 1961

PROPOSED AIRCRAFT SWAP DEAL

As I mentioned to you this morning, Burgess (Canadian Desk) asked me to drop in on him to give him the benefit of my personal reaction to the Department of Defense's draft reply to your recent letter. In the first place Burgess said that as far as he knew the letter would not come today since it had not been cleared by the State Department. In fact the State Department was somewhat concerned at the procedure being followed by the Department of Defense which was proposing to send for our consideration a draft memorandum of understanding without first having final clearance of all interested United States agencies and also without first having sounded out key Congressmen. Burgess' view was that the United States should have its own ducks lined up before submitting a memorandum of understanding for our agreement. He believed that the desire of other offices to raise certain questions on the memorandum of understanding would militate against a letter being sent to you in the immediate future, at any rate today.

2. The other question which concerned Burgess was the proposal to have the F101's delivered with nuclear armaments, i.e. the MB-1 rocket. In this connection Burgess said that I should not misunderstand him. The State Department was not taking issue with the Department of Defense's contention that these aircraft ought to be nuclear armed if they are to do the job intended of them in Canada. He was rather concerned with the presentational aspects of the problem and had redrafted a paragraph of the letter so that the unfolding of United States expectations would fall with less of a thud. The letter, as drafted, draws attention to the provision in the memorandum of understanding for the arming of the F101's with nuclear weapons and suggests that to this end arrangements should be made regarding custody and control of the weapons. Your comments are requested. Burgess' redraft would also call attention to the United States expectation that the aircraft would be nuclear armed but at the same time recognizes Canadian policy, vis-à-vis acquisition of nuclear weapons, and pointedly refers to the fact that the F101's would not be operational for twelve months and suggests that in the meantime we might get together on arrangements for custody and control. I told Burgess that his wording would perhaps let us down more easily but in the final analysis it amounted to the same thing. The signing of the memorandum of understanding in the immediate future, as is anticipated, would require the Canadian Government to make a decision in favour of accepting the F101 with nuclear armaments, subject of course to working out arrangements on custody and control. We would also be under a moral obligation to work out such

arrangements, having already agreed to accept the F101 and the other portions of the deal. I personally doubted, in the light of the Prime Minister's recent statements,³⁹ that the Government would wish to make a decision of this kind at this time. I said that in any event it seemed to me that putting forward such a proposal was bound to hinder the rapid progress of the negotiations on the swap deal.

3. I asked Burgess whether there was any possibility of the United States agreeing to the deal with the F101's armed with conventional weapons rather than nuclear weapons. I understood from Teeter that the modifications to the aircraft would cost about \$4 million. Burgess' understanding was that General Kuter would not recommend acceptance of the deal on this basis since the aircraft would be more useful to NORAD deployed in the United States with nuclear weapons than they would be, deployed in Canada without nuclear weapons. The impression I gained in this regard is the same as Teeter's, i.e. that it is a take-it-or-leave-it deal.

4. I also pointed out to Burgess that, from the United States point of view, acceptance of the F101 by Canada, leaving out for the time the question of the kind of weapon it should be armed with, was a step forward, since the United States motivation in looking at the deal in the first place was to have nuclear capable interceptors stationed in Canada. Again from the United States point of view, this step forward could, I thought, be nullified by too hasty an insistence on a decision on nuclear armaments.⁴⁰

J.S. N[UTT]

386.

CEW/Vol. 3175

*Le directeur du Bureau du Département de la Production pour la défense,
l'ambassade aux États-Unis,
à l'ambassadeur aux États-Unis*

*Director of Department of Defence Production Office,
Embassy in United States,
to Ambassador in United States*

[Washington], March 14, 1961

I was called to the Pentagon last evening by the General Counsel of USAF to review a letter with attachments which Mr. Gilpatric will likely sign to you today in connection with the proposed reciprocal procurement arrangement between our two Governments. Evidently Mr. Gilpatric and Mr. McNamara are anxious that you receive a written reply before they clear the proposal with the Department of State, the Bureau of the Budget and several of the Congressional Committees.

The agreement they will offer will not refer to the matter of title to the F10B aircraft but will merely cover this by the words – “will make available to Canada” for deployment within Norad. Details of the transfer will of course have to be negotiated. Both the suggested agreement and the Secretary's letter however, will clearly indicate that these aircraft are equipped with a nuclear armament potential and the transfer would include 330 of the MB-1

³⁹ Par exemple, voir document 331.
For example, see document 331.

⁴⁰ Note marginale :/Marginal note:

I think the “presentational” aspect is of great importance. There should be 2 stages:
(1) the swap deal (i.e. F101's delivered on a nuclear-capable basis)
(2) decision re storage & use of nuclear weapons.

S. Rae

air-to-air rocket with nuclear warheads, the storage and control of which will be subject to another agreement between Canada and the United States.

The U.S. offer will not refer to the alternative of modifying the F10B aircraft to employ conventional weapons only. In noting this obvious omission, I asked my informants whether in their opinion, any agreement with the United States Government must provide for Canada accepting the F10B aircraft and related equipment in its present configuration and mission capability. I was told that this undoubtedly is the U.S. point of view and they are sure that an agreement of this nature will be much more readily acceptable to Congress in this suggested form.

The remainder of the American response covering other details connected with the F10B transfer, the assumption of Canadian responsibility for the Pine Tree sites, and the sharing of costs for production in Canada of the F-104G aircraft is very specific in a number of respects all of which, I believe, will follow closely along the lines of previous discussions held between officials of the two Governments.

(I will be leaving for Ottawa at noon today to attend the meeting of the Senior Committee on Production Sharing and will be back in the office on Friday morning. The Assistant Director, Mr. F.T. Jackman, will also attend the meeting in Ottawa but will be back in the office Thursday morning. I have brought A/V/M Hendrick up to date on the recent developments.)

J.A. TEETER

387.

CEW/Vol. 3175

*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*

SECRET

[Washington], March 16, 1961

SWAP DEAL

I have been in touch with Burgess (Canadian Desk) again this morning. Ivan White is still on the sick list.

2. Burgess said that it was important that "we should not react too strongly at the moment." He believed that the State Department had succeeded in "stopping the postman." The Pentagon had been told not to move in any direction until the State Department has had a chance to consider the question. Therefore the whole matter was very much "wide open" and very much "in the United States' lap." Burgess was afraid that if we were to jump in, particularly at the Pentagon, with a strong reaction to the informal and personal exchanges we have had in the past few days, it could be unfortunate.

3. An important development is the following. It appears that the F101's are presently designed to carry a conventional Falcon rocket on one side and a nuclear MB-1 on the other. However, the aircraft can be modified to carry another type of conventional Falcon rocket for \$6500 (\$4 million for the total number of aircraft involved). This modification does not destroy the aircraft's potential for carrying a MB-1 rocket, as I had previously understood from Burgess. Apparently the aircraft, as Burgess put it, "could be flown elsewhere and fitted with MB-1's in a matter of hours." He said that NORAD would be satisfied with an arrangement along these lines, i.e. equipping the F101 with conventional capacity, as an "interim measure," provided that there were some assurance that "at some future time" the aircraft would be

equipped with the MB-1. Burgess thought that during the interim period the United States would not require that the MB-1's be stored in Canada.

4. I said to Burgess that this seemed to contain the seeds of a very different proposition than that contained in the draft he had discussed with me the other day and that if the United States proposal were based on what he had informed me would be acceptable to NORAD, there would then be room to talk.

5. I passed on this information to Barton and stressed that I thought it important that no action be taken in Ottawa on the basis of the information we have come by so far. Barton said that it had been intended that Mr. Robertson would be speaking to Mr. Merchant. I said that subject to confirmation by you, I thought that it would be better if this were not done.⁴¹ I said that I thought that you would still want to have a word with Ivan White and Barton said that he thought this important so that there should be no doubt in United States minds as to the likely reaction if the original proposal were still to come forward.

6. Barton said that he had drafted what was intended to be a basic expression of the Department's position on the most that could be agreed to at this time. This position had been approved by Ignatieff but so far had no more status than a view of officials. There might be a statement of intention to seek to negotiate outstanding "nuclear" questions with the United States authorities on the understanding that any resulting agreements would not be implemented until the Canadian Government so decides. Canada would agree to deploy F101 aircraft in Canada in accordance with NORAD plans. Canada would reserve the right to modify the aircraft at Canadian expense to carry conventional weapons as an alternative to MB-1 on the understanding that the capability to use the MB-1 would be retained so that this weapon would be employed without delay when a decision to do so was reached by the Canadian Government.⁴²

7. Barton asked that the Department be informed of the outcome of your conversation with Ivan White.

J.S. N[UTT]

P.S. As agreed by the Ambassador, I spoke to Air Vice Marshal Hendrick, Group Captain Van Camp and Mr. Jackman, DDP, along the lines of paragraphs 2 and 3.

J.S. N[UTT]

388.

J.G.D./MG01/XII/F/335

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 995

Washington, March 28, 1961

SECRET. OPIMMEDIATE.

Reference: My Tels 665† and 669 Mar 3.

Repeat for Information: Prime Minister, DND (Minister), Finance (Minister), DDP (Minister), CCOS, Secretary to the Cabinet (OpImmediate) from Ottawa.

⁴¹ Note marginale :/Marginal note:
I wholly agree. [A.D.P. Heeney]

⁴² Note marginale :/Marginal note:
This wd. correspond to P.M.'s statement to the press. [A.D.P. Heeney]

PROPOSED AIRCRAFT SWAP DEAL

Following is text of reply (March 28) to Ambassador's letters February 3 and March 2 received by Embassy today by hand from Roswell Gilpatrick, Deputy Secretary of Defense. Text Begins:

"My Dear Ambassador, I refer to your letters of February 3 and March 2 which contain certain proposals in respect to (i) the provision by USA of fighter interceptor aircraft for RCAF Squadrons assigned to NORAD (ii) procurement by USA from Canadian sources of F-104G aircraft for NATO, with Canada contributing to the cost of this procurement; and (iii) assumption by Canada of the costs of operation of certain Pinetree sites.

"These proposals, which are acceptable in principle, should be embodied in a formal government-to-government agreement which, I feel sure, can be readily negotiated in Ottawa where our people will be under the direction of Ambassador Merchant. In the course of such negotiations the details of the proposed arrangements, including certain key matters which we have discussed previously as well as the dates of Canadian assumption of responsibilities for the eleven Pinetree stations, can be worked out.

"As you are aware, clearance of the proposed arrangements must be obtained from appropriate committees in Congress and we will undertake immediately to seek such clearances. Sincerely Roswell Gilpatrick. Text Ends.

[SAUL] RAE

389.

DEA/50210-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures
Ambassador in United States
to secrétaire d'État aux Affaires extérieures*

TELEGRAM 1021

Washington, March 29, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 995 Mar 28.

Repeat for Information: Prime Minister Ottawa, DND (Minister) Ottawa, Finance (Minister) Ottawa, DDP (Minister), CCOS Ottawa, Secretary to the Cabinet (OpImmediate) from Ottawa.

PROPOSED AIRCRAFT SWAP DEAL

The Embassy's reference telegram contains the text of the letter of March 28 from the Deputy Secretary of Defense. On my return from Ottawa this afternoon, there was a message to call Gilpatric and I have just spoken to him on the phone.

2. Supplementing what was said in his letter, Gilpatric said, first of all, that he was sorry for the delay in making a reply. The Department of Defense had prepared a draft "memorandum of understanding" for consideration by the two governments but the Department of State thought that, on the whole, it would be better to have the definitive arrangements worked out in Ottawa. USA Ambassador there was personally familiar with the history of the matter and appropriate officials would be sent to Ottawa from Washington to assist him in negotiating an agreement.

3. Gilpatric went on to say that it had been decided not repeat not to make reference in his letter to me to the weapons systems with which USA fighter-interceptors intended for RCAF

squadrons would be equipped. This was a matter which, it was felt, would better be dealt with during the course of negotiating the agreement in Ottawa.

4. Finally Gilpatric said that USA hoped now that we could proceed with despatch to work out a mutually satisfactory agreement on the basis of our exchange. He himself would be taking the matter up with the appropriate Congressional representatives next week and all the necessary material to enable Merchant to get started on the negotiation was being sent to him at once. He asked me to keep him in touch personally as the negotiation proceeded for, he said, the Department of Defense would want to be as helpful as possible in facilitating matters.

5. The scene now shifts to Ottawa but I would be grateful if you would arrange to keep me informed fully and promptly as the talks with Merchant and his advisers proceed. If and when I have word of preliminary Congressional reactions, I will, of course, let you know.

[A.D.P.] HEENEY

390.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], May 23, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean), (for morning meeting only)
 The Minister of Labour (Mr. Starr),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker), (for morning meeting only)
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale)
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson),
 Mr. D.F. Wall, Privy Council Office.

...

SWAP DEAL WITH THE UNITED STATES ON AIRCRAFT
 (Previous reference March 30)

13. *The Prime Minister* reported that, during the recent visit to Canada of the President of the United States, he and Mr. Kennedy had discussed, both privately and with officials, the proposed swap deal by which Canada would receive 66 F-101 fighter aircraft through contributing \$50 million of a total cost of \$200 million. The President had indicated that Canada would be required to accept nuclear warheads for the rocket armament of these

aircraft. In private conversation the Prime Minister had pointed out to Mr. Kennedy the dangers to good Canadian-American relations inherent in the United States government forcing any policy on the Canadian government, and suggested that, were their roles reversed, the President would hold a similar view.

On his return flight on May 18th, the President had further discussed the matter with the Canadian Ambassador to the United States. In a telephone conversation with Mr. Heeneey on May 22nd, the Prime Minister had been informed that it was possible that the United States government would now accept the Canadian position, and that the rocket-launching equipment of the aircraft would be maintained intact. The Canadian government would not stipulate that nuclear warheads would be used until such time as it had been agreed in principle that Canadian forces would be provided with nuclear weapons.

14. *The Minister of National Defence* said it was his understanding that the United States Ambassador to Canada would be discussing this matter with officials of the Department of External Affairs on this day.

15. *The Prime Minister, later in the meeting*, said that the U.S. Ambassador had informed him that the U.S. government was prepared to accept the swap deal without insisting that Canada accept nuclear warheads for the rocket armament of the aircraft, and without insisting that Canada permit the storage of nuclear warheads in this country. The Under-Secretary of State for External Affairs had been instructed to proceed with the detailed arrangements for the implementation of the deal.

He expressed gratification that the negotiations had been completed, and that the U.S. government had recognized Canada's position on the question of nuclear weapons. The swap deal would raise Canada's share in defence production almost to equality with the U.S. share, would keep the R.C.A.F. in the air and would provide employment for 7,000 persons at aircraft and component factories, plus secondary employment for thousands of others.

16. *The Minister of Labour* said that the latest figures available showed that, as of April 15th, 1961, the total numbers of persons employed in Canada had risen by 170,000 and the number of unemployed had reduced by 83,000, as compared with the previous month. These figures would be made public on the following day.

17. *The Cabinet* noted the statement of the Prime Minister that the United States government had informally indicated its acceptance of the aircraft swap arrangement, on the basis that Canada would decide for itself whether or not nuclear warheads would be used for the aircraft or stored in Canada.

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391.

H.B.R./Vol. 8

*Note du Bureau du Conseil privé
pour le secrétaire du Cabinet*

*Memorandum from Privy Council Office
to Secretary to Cabinet*

SECRET

[Ottawa], May 25, 1961

PROPOSED AIRCRAFT SWAP WITH U.S.

The US Ambassador called on Mr. N.A. Robertson on Wednesday, May 24, and gave him a draft note to which was attached a memorandum of understanding and two annexes which constitute the US proposals for negotiation of the aircraft swap deal. These papers are attached to this memorandum.† A third annex to the memorandum of understanding is still in

preparation. The US note and attachments contain no stipulations about armament to be used on the F101Bs.

Mr. Merchant said his Government was concerned about delays on this matter and proposed that negotiations should begin at once which would be *ad referendum* since Congressional consultations had not been completed. Mr. Robertson undertook to call a meeting of Canadian officials with a view to preparing for the commencement of negotiations in Ottawa on Friday, May 26.

A meeting was held Thursday morning, chaired by Mr. Robertson, at which Mr. Armstrong, Mr. Golden, Mr. J.A. MacDonald, representatives of National Revenue (Customs and Excise) and others were present. I attended on Bill Barton's invitation. It was agreed that no new points of policy that had not been approved in principle by the Cabinet were raised by the US note, and therefore that Ministers need not be consulted before negotiations were started. US representatives were invited to come to Ottawa at once and the negotiations will begin here today (Friday) at 11 a.m. The Canadian team will be headed at the beginning by Mr. Ignatieff, with Mr. Armstrong, A/V/M Cornblat and A/C Lane of National Defence, Mr. Golden and Mr. Hunter of Defence Production, J.A. MacDonald of Finance and Barton of External Affairs. Others will be called in as required. It is expected the talks will go on into Saturday.

The meeting Thursday reviewed the US note and attachments. The following main points were made:

(a) The cover memorandum should stress that the deal is a contribution to NATO strength and a big forward step in interdependence through the Production-Sharing Programme. It is also a strengthening of continental air defence, but Canada should play this down in the agreement, if the US concurs, because justification of the deal on defence grounds raises consequent problems about armament for Canada.

(b) Use of the word "deployment" in Canada of the F101Bs is undesirable from our point of view. We are under instructions from Cabinet to avoid the concept of "lend-lease" in this deal, and should try to make it look like a *quid pro quo* swap. The US probably used the word "deployment" because of their legal difficulties in giving us title to the aircraft unless we buy them outright. We should try to have the word in the agreement changed to "acquisition" by Canada.

(c) We should begin by asking for transfer of title of the F101Bs to Canada, and at least we should formulate the agreement in such a way as to make the *quid pro quo* for both countries stand out. To this end, we should seek to amend I A. of the memorandum of understanding to refer to US agreement "to transfer to Canada 66 F101B aircraft in consideration of II below" (the Pinetree deal).

(d) In III B. of the memorandum of understanding, account should be taken of the Canadian contribution of \$50 million by amending the first sentence to read: "The F104G aircraft will be procured to meet US Military Assistance Program requirements, and Canadian Mutual Aid within NATO." Furthermore, it is recognized that the US may send some of the F104Gs they procure to Formosa or Korea, and we wish to ensure that the Canadian contribution to this production programme is not directed to those countries but only to NATO members. We should seek to have the last sentence of III B. deleted as being nothing more than a recognition that we cannot prevent the US from giving the aircraft they procure from Canada to non-NATO countries, and should try to arrange that the \$50 million Canadian contribution is used in the early part of the production programme from which we know the aircraft are going to be delivered within NATO.

A redraft of the US note is to be prepared which will reflect the points noted above. This redraft is to be held ready for tabling at an appropriate time during the negotiations.

In addition, the following are to be listed as points on which we will seek clarification from the US negotiators:

(a) The reference to the US intention to “procure (F104Gs) from sources designated by Canada,” in III A. of the memorandum of understanding, is unusual. DDP thought Canada would arrange all the procurement, place the contracts and negotiate the prices in Canada. There are recognized to be some dangers in acting as procurement agent for the US, however; for example, if at some point the F104G lost favour and/or Congress did not appropriate funds to continue the programme, DDP might then be in contractual difficulties about cancellations. On balance, DDP favours acting as procurement authority, with the necessary safeguards.

(b) In I B. and in Annex B, the US refers to four squadron sets of Aerospace Ground Equipment as being provided to Canada. The RCAF is concerned at this because they want to use the F101Bs in five squadrons. Also, only four flight simulators are offered, but it is believed that only four of these are available.

(c) The wording of II C. concerning Canada’s responsibility for “maintaining improvements” at radar stations is vague and should be clarified. It is believed that the capital costs of improvements that might be agreed upon would be shared on the 2/3 - 1/3 basis, and that Canada would maintain them.

(d) I questioned whether our responsibilities on Pinetree should be stated to continue only until the termination of the NORAD agreement (1968), since the cost calculations that had been given to Cabinet were based on this period. Most people thought we must accept that the agreement would run until the end of the Pinetree agreement. These Pinetree stations appear to be covered by both the 1951 agreement referred to in the memorandum of understanding and the 1955 agreement dealing with extensions to Pinetree, which was a 10-year agreement. Since the 1951 agreement, I am told, has no termination date, we may be entering into an open-ended obligation for some of the stations.

(e) We should seek amendment of the last line of IV to state that we could ensure the US of freedom from federal taxes only. Since the F104Gs are for export, provincial sales taxes would presumably not apply anyway.

(f) The US will be asked why they included Annex A, which merely lists the numbers of the F101B aircraft, in a draft intergovernmental agreement. There might be difficulty if one or more of these aircraft were destroyed after the agreement was signed but before delivery to Canada.

D.B. D[EWAR]

392.

PCO

*Note du secrétaire d'État aux Affaires extérieures,
du ministre de la Défense nationale,
et du ministre de la Production pour la défense
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs,
Minister of National Defence,
and Minister of Defence Production,
to Cabinet*

CABINET DOCUMENT NO. 240-61

[Ottawa], June 8, 1961

SECRET

PROPOSED AIRCRAFT "SWAP" DEAL

Pursuant to the Cabinet's decisions of February 25 and March 2 on the above subject, agreement in principle was reached on March 28 on behalf of the two Governments between the Canadian Ambassador in Washington and the Assistant Secretary of Defence on an arrangement whereby:

(1) The United States would provide 66 F-101B interceptor aircraft for RCAF squadrons assigned to NORAD.

(2) The United States would procure from Canadian sources F-104G interceptor aircraft for NATO to the value of \$150 million, with Canada contributing a further \$50 million.

(3) Canada would assume responsibility for the cost and manning of Pinetree radar installations now carried by the United States.

2. The United States proposed that this arrangement should be embodied in a formal Government-to-Government agreement and a first draft of such an agreement was given to the Department of External Affairs by the United States Ambassador on May 24. On May 28 and 29 negotiations between officials of the two Governments were held in Ottawa as a result of which agreement was reached on a draft of an Exchange of Notes which each side would submit to its respective Governments for consideration.

3. The Department of External Affairs has now been informed that the draft, the text of which is attached, is acceptable to the United States Government. The United States Government will, therefore, wish to be informed whether the Canadian Government would now be prepared to conclude the Agreement. The following explanatory notes will be of assistance to the Cabinet in reaching a decision in this matter.

COVERING NOTE:

4. It was recognized at the outset of the negotiations that the presentational aspects were highly important to both Governments. Hence, the concept of the arrangement is that it is being carried out pursuant to their objectives in NATO and that its purpose is to make the most effective use of their resources.

5. The only difficulty which arose when drafting the covering note was to evolve language which would provide for the fact that, although the United States, like Canada, intends that the F-104G aircraft ordered for mutual aid should go to other NATO countries, the United States would wish to be free to direct its share to other United States aid recipients in the unlikely event that NATO requirements do not absorb the total order. From a Defence Production standpoint, there is a Canadian interest in agreeing to this U.S. requirement, as it is desirable to ensure that the full production run be completed.

MEMORANDUM OF UNDERSTANDING:

Title to the F-101B Aircraft:

6. In accordance with the Cabinet's decision of March 2, the Agreement provides in Article I (A)(1) that title to the aircraft will be vested in Canada.

Armament of the F-101B:

7. The question of the armament of the F-101B aircraft is referred to only in Article I (A)(3), wherein provision is made that the cost of the armament will be shared on a two-thirds – one-third basis and that title to the armament furnished will be vested in Canada.

Radar Improvements:

8. The Pinetree Agreement of 1951 provides that the United States, after consultation with the Canadian authorities, may make improvements to the radar stations. It was assumed by the Canadian representatives that the Canadian commitment to man and operate the radar stations would not extend to such improvements if they significantly affected the operating costs. In particular it had been assumed that the operation of the radars to be connected with the new SAGE installation (CADIN programme) would be subject to the cost-sharing formula previously negotiated since they will cost more to operate.

9. The United States authorities, on the other hand, had assumed that since no limitations had been set on the original Canadian proposal to take responsibility for operation of the radar stations, none had been intended. This had been a factor in the U.S. decision to accept the Canadian proposal.

10. It was eventually agreed that the Canadian representatives would recommend to Ministers that Canada should meet the operating costs arising out of all improvements already programmed, including the CADIN programme, but that language be included in the Agreement to enable the Canadian authorities to exercise control over operating commitments arising out of future improvement programmes .

11. The sixteen Pinetree stations to be taken over are listed in paragraph B of Article II. It is to be noted in this respect that the list does not include five stations of the Labrador extension (Goose Bay, Saglek, Hopedale, Cartwright and St. Anthony) which will continue to be a U.S.A.F. responsibility.

RECOMMENDATION:

12. The undersigned recommend that the Cabinet approve the conclusion of an Exchange of Notes with the United States in accordance with the draft attached to this memorandum.

[H.C. GREEN]

[D. HARKNESS]

[R. O'HURLEY]

393.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], June 9, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair, (for morning meeting only)
 The Secretary of State for External Affairs (Mr. Green) in the Chair, (for afternoon meeting only)
 The Minister of Finance (Mr. Fleming), (for morning meeting only)
 The Minister of Transport (Mr. Balcer), (for morning meeting only)
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton), (for morning meeting only)
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough), (for morning meeting only)
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr), (for morning meeting only)
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of Agriculture (Mr. Alvin Hamilton), (for morning meeting only)
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

PROPOSED AIRCRAFT "SWAP" DEAL
(Previous reference June 6)

4. *The Minister of Defence Production* said that agreement in principle on the proposed aircraft "swap" deal had been reached on March 28th on behalf of the two governments between the Canadian Ambassador in Washington and the Assistant Secretary of Defence. Following further discussions, agreement had been reached on a draft of an Exchange of Notes which each side would submit to its government for consideration. The United States government had indicated its acceptance of the draft. The terms of the proposed agreement were unchanged, except that the U.S. was now prepared to agree that title to the F-101B aircraft would be vested in Canada.

An explanatory memorandum was circulated (joint memorandum, Secretary of State for External Affairs and Ministers of National Defence and Defence Production, June 8 – Cab. Doc. 240-61).

5. *During the discussion* the following points were raised:

(a) The statement to be made by the Prime Minister should be prepared with great care. Some said that in the Memorandum of Understanding the procurement in Canada of F-104G aircraft should be mentioned before the other elements in the agreement, to emphasize the additional employment that would be provided as a result. On the other hand, this change in the order of presentation might not be acceptable to the U.S. The statement by the Prime Minister could emphasize the attractive features of the swap deal to Canada, regardless of the order followed in the Memorandum of Understanding.

(b) The statement should refer to the necessity for defence against manned bombers. Although that threat was diminishing, manned bombers were still being manufactured in the U.S.S.R.

(c) Some said that disarmament was rapidly becoming a mere dream. The government should face the problem of the need for nuclear defence in Canada, particularly in view of the unequivocal position taken by the U.S. and U.K. governments on nuclear weapons. Other Ministers said that renewed discussions of disarmament were scheduled to begin soon, and that the government should give explicit and careful study to the whole question of nuclear weapons before deciding to acquire them. The future of civilization might depend on disarmament negotiations, and particularly on the restriction of the number of nations possessing nuclear weapons. On the other hand, the Bomarc stations and the question of nuclear weapons for Canada should not be mentioned in the statement, because attention would be diverted from the useful features of the swap deal if controversial matters were included.

(d) The statement should show clearly the consistency between the policy of the government at this time and the position taken by the government at the time of the cancellation of the Avro Arrow programme.

(e) A paragraph should be included in the statement to refute the argument of pessimists who claimed that all defence measures would be ineffective and that therefore they were merely a waste of money.

6. *The Cabinet,*

(a) approved the conclusion of an Exchange of Notes with the United States on the aircraft “swap” deal as submitted in draft form with the Ministers’ explanatory memorandum (Cab. Doc. 240-61 of June 8), on the understanding that the Secretary of State for External Affairs would check on the suitability of these documents for tabling in the House of Commons; and,

(b) agreed that a special committee of Ministers would assist the Prime Minister to complete the preparation of a statement to be made by the Prime Minister in the House of Commons on the aircraft swap arrangement with the United States.

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394.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], June 12, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),

The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

AIRCRAFT "SWAP" ARRANGEMENT (Previous reference June 6)

2. *The Prime Minister* said that a committee of the Cabinet had reviewed the draft text of the statement he was to make in the House of Commons on the aircraft swap arrangement. He had inserted further revisions in the statement, and would make it on this day. As further revised, it would include a reference to the fact that there was a continuing need for defence against manned bombers. It would also mention that Canada would continue to seek disarmament but that, as the U.S.S.R. was not of a mind to proceed with disarmament, Canada needed the most effective defences. If a question should be asked on the armament of the F-101B aircraft, he would state that they would be armed with conventional weapons at this time but would be capable of carrying nuclear weapons.

3. *During the discussion* the following points were raised:

(a) Some said that a meeting of U.S. and U.S.S.R. representatives on disarmament was to begin next week, and that therefore the assertion in the statement, about the U.S.S.R. attitude to disarmament should be made less categorical.

(b) The government had recently received new U.S. proposals on disarmament. These proposals were far-reaching, particularly in relation to nuclear weapons.

(c) The Premier of Saskatchewan had stated that the government of Canada had arrived at a basis for an agreement with the U.S. on the storage of nuclear arms in Canada. Some discussions on this subject had in fact occurred about a year ago, but Mr. Douglas' statement was completely inaccurate.

(d) In two years' time, when the radar stations were fully transferred to the responsibility of Canada, their annual cost would be about \$21½ million.

4. *The Cabinet,*

(a) agreed with the terms of a draft order in council authorizing the Prime Minister or the Secretary of State for External Affairs to conclude an agreement by means of an Exchange of Notes, on behalf of the Government of Canada, with the Ambassador of the United States of America to provide for,

(i) the assumption by Canada of the responsibility for certain continental radar defence stations hitherto the responsibility of the U.S.;

(ii) the acquisition of F-101B aircraft from the U.S.; and,

(iii) co-operation in a programme for the procurement in Canada of F-104G aircraft;

(b) agreed that when completed the Exchange of Notes would be tabled in the House of Commons; and,

(c) noted with approval the statement to be made on the arrangement in the House of Commons by the Prime Minister on this day.

(An order in council in respect of (a) above was passed accordingly; P.C. 1961-843, June 12).⁴³

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SECTION D

AIRE DE LANCEMENT DE FUSÉES DE FORT CHURCHILL FORT CHURCHILL ROCKET RANGE

395.

DEA/11213-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], October 10, 1961

FORT CHURCHILL ROCKET RANGE

On or about September 12 the Department learned informally from the Defence Research Board that the United States authorities wished to undertake as a matter of urgency a special series of firings from the Fort Churchill range.

2. The purpose of these firings, it was explained to us, was essentially two-fold. In the first place, as a strictly scientific and military intelligence task, it was felt desirable to attempt to determine more accurately than is possible by other means such as radio shock waves, ground shock waves and sampling of the atmosphere by high flying aircraft, the nature and strength of the nuclear devices being exploded by the Soviet Union in its current series of tests. Secondly, to measure the increase in the amount of radioactive debris in the upper atmosphere caused by these tests.

3. With regard to the first purpose, present methods do not give a completely accurate picture. Radio and ground shock detection techniques do of course provide firm indications that a detonation has occurred and can give a fairly accurate estimate of the strength and location of the detonation. These methods have to be supplemented however by some technique to obtain early samples of the radio-active cloud. Such samples can be obtained in two ways: the "filter paper" technique (which is accomplished by waiting for the radioactive debris to descend to the lower atmosphere and collected either at ground level or at varied altitudes by high flying aircraft, or by rockets launched to altitudes of between 50 and 100 miles. The use of rockets of course makes it possible to obtain the samples of debris which has risen to higher altitudes at a much earlier date and before too much decomposition has taken place.

⁴³ Voir *Recueil des Traités du Canada*, 1961, n° 5.
See Canada Treaty Series, 1961/5.

4. We understand that the United States Army has recently been using the rocket sampling technique at White Sands, Arizona. However, the fact that this location is within the auroral belt complicates matters as the ionized particles of the aurora tend to become mixed with those particles of the radio-active debris. Churchill, therefore, is a much better location lying, as it does, north of the auroral belt. Moreover, as the atmosphere at Churchill is thinner it is possible to launch the rockets and collect samples at much lower altitudes (approximately 50 miles) thus ensuring a higher rate of recovery of the samples obtained.

5. The United States request was handled through the medium of the Operational Coordinating Group, set up by the Agreement of June 14, 1960 governing the operations of the Joint Upper Atmosphere Research Facility at Fort Churchill.⁴⁴ Within the Department of National Defence it was processed through the Chairman of the Defence Research Board and the Chief of the General Staff before Mr. Harkness' approval was obtained.

6. The above-mentioned Agreement calls for Canadian scientists to be kept fully informed of the planning and results of any tests conducted and we have been assured that the Defence Research Board through the Directorate of Scientific Intelligence will have full information made available to it. For its part the Defence Research Board will make available to the Department of Health and Welfare whatever information that Department requires relative to its own studies and responsibility in the field of radioactive fallout measurement and effects. All the other provisions of this Agreement will also apply.

7. We understand that a maximum of eight firings has been considered sufficient. Two have already been conducted, one is scheduled to go off early this week and the remaining five will be fired as soon as the nose cones have been instrumented. All firings can be undertaken using existing facilities and instrumentation and within the manpower ceiling authorized by the Government of four hundred and fifty U.S. personnel.⁴⁵

N.A. R[OBERTSON]

⁴⁴ Voir *Recueil des Traités du Canada*, 1960, n° 12.
See Canada Treaty Series, 1960/12.

⁴⁵ Note marginale :/Marginal note:
OK. H.C. G[reen] 13/10

6^e PARTIE/PART 6
 QUESTIONS ÉCONOMIQUES
 ECONOMIC ISSUES

SECTION A

RÉUNION DE LA COMMISSION MIXTE CANADO-AMÉRICAINNE
 DU COMMERCE ET DES AFFAIRES ÉCONOMIQUES,
 WASHINGTON, LE 13 AU 14 MARS 1961
 MEETING OF JOINT CANADA-UNITED STATES COMMITTEE
 ON TRADE AND ECONOMIC AFFAIRS,
 WASHINGTON, MARCH 13-14, 1961

396.

D.M.F./Vol. 131

*L'ambassadeur aux États-Unis
 au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 708

Washington, March 7, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 566 Feb 23.†

Repeat for Information: T&C Ottawa, Finance Ottawa, Agriculture Ottawa, Bank of
 Commerce Ottawa, PCO Ottawa (OpImmediate) from Ottawa.

JOINT CANADA-USA COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

The following suggestions may be helpful in your preparations for the meeting.

2. This will be the first general review of the Canadian-USA economic matters with the new USA Cabinet and it will be taking place at a time when almost every major area of USA policy is being reappraised by the Administration. This meeting should enable us to obtain a clearer indication of the new Administration's likely approach in a number of areas of interest to Canada. It could also provide an ideal occasion to acquaint the responsible USA Cabinet members and their principal advisers with the thinking behind current or proposed Canadian economic measures particularly as these may impinge upon or affect USA interests. Further and perhaps most important, the present fluid state of Administration deliberation and planning in many areas and their apparent receptivity to new ideas should afford unusual opportunities for us to influence USA policies in desirable directions or at the least to put forward in a sympathetic atmosphere Canadian views and suggestions on problems of mutual concern.

General Approach

3. It seems to us that we should put particular emphasis on the broad community of interests and objectives between Canada and USA in relation to international trade and economic policies. We might also make more of an impact regarding our bilateral problems if we could relate these to the broader issues of general policy which are bound to be uppermost in the minds of USA secretaries at this time.

USA Balance of Payments

4. We should take note of the generally constructive and non restrictive nature of the measures being developed by the Administration to meet their balance of payments problems. At the same time we should review the distinctive features of Canada's balance of trade and payments position vis-à-vis USA and express our hope and expectation, as we did in general terms to the previous Administration, that USA should in its own corrective measures avoid any action which might add to the problems currently faced by Canada. In this connection, reference might be made to the importance of safeguarding the defence production sharing programme; military procurement in USA and overseas; the desirability of ICA procurement in Canada being considered on an item by item basis (as was suggested by Mr. Dillon to Mr. Fleming in Paris and possibly to explore some easing of the proposed reduction of tourist allowances with respect to Canada. In addition we should stress the similarities between Canadian and USA interests vis-à-vis the rest of the world and suggest that our approach towards more equitable burden-sharing should be directed to solving the problems of both countries.

Trade Policy

5.(a) *USA Trade Agreements Act*

Possibly no repeat no single issue is of greater importance to future Canadian-USA trade relations than that of the future of USA Trade Agreements Act. As you know, this legislation sets the basic framework and direction of USA commercial policy. The present act comes to an end in mid 1962 and the battle lines are now being drawn both in Congress and outside for the development of new legislation. It is not repeat not too early, therefore, for us to focus attention on this issue and to stress our interest in the Administration obtaining broad and unhampered authority in this field.

In this connection you will be aware that some thought is being given within the Administration to a new approach to trade agreements legislation involving linear tariff reductions. We should bear in mind that in USA context (as distinct from that of other countries), this might provide the only way for the Administration to move ahead in the trade field.

(b) *Free Trade in Basic Products*

At the last meeting of the Canada-USA Committee, Canadian Ministers suggested that the possibility of "free trade for basic materials and tropical products" would warrant consideration. USA officials subsequently expressed considerable interest in this idea and asked us to elaborate but the matter was not pursued (your telegram ET-394 March 15). † This is the kind of imaginative suggestion which would be likely to appeal to the new Administration, particularly as it might contribute to economic development policy. You might wish to reiterate and develop Canadian views on this matter.

(c) *USA Agricultural Restrictions*

In addition to specific references to our bilateral problems, we think it would be desirable to suggest some more generalized move in this field. The maintenance of USA agricultural waiver in GATT, even though it has been used with restraint, has unfortunate implications for progress in the reduction of agricultural restrictions in Europe and elsewhere. The relinquishing by USA of its GATT waiver would make a significant contribution internationally and would at the same time facilitate the removal of USA restrictions against Canadian goods.

(d) *East-West Trade*

USA Administration is reviewing the question of East-West trade both in terms of present USA legislation (e.g. The Battle Act)⁴⁶ and in terms of possible new initiatives jointly with other Western countries. Consideration of these matters within the Administration may have reached a stage, by the time of the meeting, to warrant some general discussion. You will recall that this question was discussed at the Montreal Commonwealth Conference⁴⁷ and you might wish to develop further some of the points made at that time. Our own experience in trade relations with communist countries would be relevant.

(e) *Lead and Zinc*

There is a growing tendency for USA to regard the need for special protection for these products as self-evident and generally accepted. Indeed, all recent public discussion on lead and zinc in USA has centred solely on the question of how much protection should be granted and by what techniques. The possibility of adding lead to the list of barter items for agricultural surplus disposal (thus expanding agricultural barter arrangements) is also under consideration. USA is strongly pressing other countries to remove their remaining import restrictions yet seems unaware of the inconsistency in their own attitude on lead and zinc. It would be desirable to direct the attention of the Administration to the broad commercial policy implications of these restrictions and to urge the early return to normal competitive trade in these products.

Food for Peace; Surplus Agricultural Products

6. The Administration has given encouraging indications of wishing to maintain and strengthen consultations with Canada. This was reflected in my talk with McGovern. In addition USA authorities have offered to discuss with Canadian officials their plans for the future as embodied in the Food for Peace report being submitted to the President on March 15. It is expected that this will be done at the next Canada-USA wheat meeting and before publication of their report.

7. The Administration is committed to an expansion of Food for Peace activities (which in their minds includes all agricultural surplus matters both bilateral and multilateral) and special emphasis in being placed on the economic aid objectives of these programmes. What this will involve in practice is not repeat not yet clear and there are strong conflicting pressures on the Administration.

8. In view of the foregoing it is our judgment here that at the forthcoming meeting we should concentrate on the broader issues and make clear Canada's positive approach to these problems. We should emphasize the key importance of commercial trade in wheat to the Canadian economy and the need to ensure that this trade is fully safeguarded. At the same time we might reiterate the views expressed by the Prime Minister at the UN on cooperative action in this field. With the basic USA legislation (PL480) coming up for renewal in Congress this year, it might be useful for us to refer to the change of emphasis which has taken place over a period of time in the implementation of USA policy, i.e. the diminution of barter activities and the gradual restoration of countries to cash markets as their financial difficulties were overcome. We might indicate in general terms the elements which have proved particularly troublesome in Canadian-USA relations and suggest areas where we would wish to see changes and improvements. In connection with the UN and FAO resolutions the new

⁴⁶ Voir/See "Kennedy Seeking Loan for Poland," *New York Times*, February 9, 1961, p. 1; "Senate Votes Red-Bloc Aid Bill," *Washington Post*, May 12, 1961, p. A4; "How House Voted on Aid Measures," *ibid.*, August 19, 1961, p. A4.

⁴⁷ Voir/See Volume 24, document 373.

Administration may lean towards handing over to FAO some degree of jurisdiction with regard to relief and distress programmes. It is believed, however, that they will retain the bulk of their programmes on a purely bilateral basis.

Extraterritorial Issues

9. There have been continuing and very difficult problems arising from the extraterritorial effects of USA legislation and policy (e.g. anti-trust, foreign assets control). These have involved highly complex issues of law and procedure in which different USA government, departments and agencies are concerned. We have attempted to meet some of these problems as they arose through a variety of arrangements none of which has been particularly satisfactory. What is needed, we feel, is to impress on USA secretaries in the broadest terms the very serious matters of principle which are raised by cases of this kind (as well as recurring issues of fact) and their adverse effect on Canadian-USA relations.

10. Our current experience with USA foreign assets control over the bunkering at Vancouver (with Canadian oil) of vessels loading Canadian wheat for Communist China under a Canadian contract is surely a laboratory case illustrating how foreign ownership and control of Canadian corporations may affect Canadian freedom of action. We hope, before the Ministers convene next week, that a satisfactory solution will have been found for this particular problem. Nevertheless the fact the problem has arisen and that it has caused and is causing a great deal of trouble for a great many people from the Prime Minister down would seem to justify the conclusion that something is wrong with our relations and our arrangements in this area. I would hope that, using this case as an illustration, Ministers might move on to the more general and more difficult problem or series of problems arising from relations of USA parent corporations to their Canadian subsidiaries.

Conclusion

11. Finally, although we have made a number of suggestions above involving a good deal of attention to bilateral problems, I should, I think, repeat our considered judgment here that in present circumstances our special Canada-USA issues are most likely to receive sympathetic and understanding attention by USA Cabinet members who will be participating in the meeting if they are discussed within the context of the wider issues of policy with which the members of the Administration are currently preoccupied.

[A.D.P.] HEENEY

397.

D.M.F./Vol. 131

Note du ministère des Affaires extérieures

Memorandum by Department of External Affairs

CONFIDENTIAL

[Ottawa], March 9, 1961

CANADA-UNITED STATES JOINT COMMITTEE
ON TRADE AND ECONOMIC AFFAIRS

Cuban Trade

The agenda of the Joint Committee meeting does not provide for the discussion of Cuban trade. This subject, however, may well be raised informally in view of the considerable interest in the United States over Canadian policy towards Cuba.

On October 19, 1960, the United States imposed a trade embargo on United States exports to Cuba with the exception of non-subsidized foodstuffs, medicine and medical supplies. The Department of State explained that this step had been taken reluctantly by the United States

Government in order to carry out its responsibility to defend legitimate economic interests against “the discriminatory, aggressive and injurious economic policies of the Castro régime.” While Canada had been informed of United States intentions before the embargo became effective there was no prior consultation and the United States Government did not, either then or later, ask Canada or any country of the West to impose a similar embargo. Some concern was expressed however, since all exports from the United States to Canada are exempt from United States export controls, that United States embargo might be made ineffective by the trans-shipment of goods of United States origin from Canada to Cuba, if Canada did not control the re-export of these goods to Cuba.

The Canadian Prime Minister on December 12 and the Minister of Trade and Commerce on December 16, 1960, stated in the House of Commons that it is not Canada’s purpose to exploit the situation arising from the United States embargo on exports to Cuba and that we have no intention of encouraging what would, in effect, amount to the bootlegging of goods of United States origin to Cuba. In order to implement this policy no export permit is issued by the Canadian authorities for the re-export from Canada to Cuba of United States goods, which are prohibited export from the United States direct to Cuba under the United States export control regulations. So far only one attempt at evasion has come to the attention of the Canadian authorities and the shipment concerned was returned to Canada and seized by Canadian authorities.

With respect to the export of Canadian goods to Cuba the policy in effect is as follows:

1. No shipment of arms, ammunition, military and related equipment or materials of a purely strategic nature will be licensed for export from Canada to Cuba or have been licensed for more than a year, i.e., since long before the United States embargo. This course is based on the Canadian Government’s general policy of refraining from exporting such goods or commodities to areas of tension anywhere in the world; and
2. There are no limitations on the export to Cuba of Canadian goods of a non-strategic nature.

This policy has been guided by the following considerations: The United States has been able to justify its actions by reference to specific measures of the Cuban authorities against United States citizens and interests. The same justification would not be available to Canada if we took any similar action. Cuba has been a traditional market for certain Canadian foodstuffs (notably fish and potatoes) and the United States itself is continuing to ship food and drugs to Cuba. Of all NATO countries the United States alone has taken any action to impose a trade embargo against Cuba. If Canada were to restrict exports of non-strategic Canadian goods to Cuba in conformity with the United States embargo, stricter controls would have to be imposed on trade with Cuba than with the countries of the Sino-Soviet bloc with whom peaceful trade is now permissible. As a country living by international trade Canada cannot lightly resort to the weapons of a trade war.

We are not complacent about the situation in the Caribbean and the operation of Canadian military and strategic controls is clear evidence that we consider it to be a sensitive area. On the other hand we wish to maintain with Cuba the kind of relations which are usual with the recognized government of another country and it is our view that to maintain mutually beneficial economic relations with Cuba may help towards the restoration of traditional relationships between Cuba and the Western world.

The following are the figures for Canadian and United States exports to Cuba for the last quarter of 1960, which are the latest available, compared with the last quarter of 1959.

	<u>United States</u>		<u>Canada</u>	
	<u>1959</u>	<u>1960</u>	<u>1959</u>	<u>1960</u>
	(in millions of dollars)			
September	38.5	17.7	1.6	0.7
October	41.4	17.0	0.8	1.6
November	40.6	3.8	1.7	1.4
December	<u>40.5</u>	<u>5.2</u>	<u>1.4</u>	<u>2.4</u>
Whole year	434.4	211.4	15.1	13.0

There was a sharp drop in United States exports to Cuba after the imposition of the embargo while Canadian exports increased. However the value of Canadian exports to Cuba in 1960 was approximately 13 million dollars compared with 15.1 in 1959 and the goods concerned were largely in the range of permissible United States exports to Cuba. For the last quarter of 1960, Canadian exports to Cuba remained well below those of the United States.

Despite some Cuban efforts to increase trade with Canada there is no evidence that, with the present level of Cuban foreign exchange reserves, the increasing diversion of their trade to the Soviet bloc and the Canadian export controls described above, Canadian exports to Cuba will experience the dramatic increase suggested by some of the public statements of the Cuban authorities and in particular the suggestion made by the Cuban Minister of Economic Affairs that Cuban purchases in Canada could reach a level of \$150 million a year. (The Trade Mission which came to Canada last December came at their own request and not in response to a Canadian invitation.) It is worth noting in this connection that Señor Guevara, former head of the Cuban National Bank, recently stated that this was an exaggerated figure.

Canadian imports from Cuba for the first ten months of 1960 (the latest figures available) were 6.8 million dollars compared with 9.8 million dollars in 1959. The corresponding figures for the United States are approximately 348 million dollars and 474 million dollars. These figures do not entirely reflect the drop in United States imports from Cuba after the cancellation of the Cuban sugar quota, but they remain substantial. A campaign is now underway in the United States to cut down further on these imports from Cuba, now consisting mainly of tobacco, since these United States purchases provide the Cubans with dollars. In a reply to a letter from Senator Smathers, who is leading this campaign, the United States Secretary of State recently indicated that the United States Government is studying additional economic measures designed to maximize the effects of its embargo on Cuban trade.

The Cuban Government has proposed the conclusion of a civil aviation agreement with Canada, but no negotiations to this end are contemplated. At the present there are no passenger services between Canada and Cuba; the Cuban airlines operate cargo flights on a charter basis.

It should be noted that the United States Government has not at any time made representations about the volume of Canadian trade with Cuba. The United States public reaction to continued Canadian trade with Cuba seems to have been largely caused by exaggerated statements made by the Cubans.

398.

DEA/11280-1-40

*Extrait du projet de compte-rendu de la réunion
de la Commission mixte canado-américaine
du commerce et des affaires économiques*

*Extract from Draft Minutes of Meeting of Joint
Canada-United States Committee
on Trade and Economic Affairs*

CONFIDENTIAL

Washington, March 13, 1961

The Committee convened at 2:00 p.m. on March 13, 1961 in room 1105 of the State Department's conference suite. Mr. Rusk was in the chair.

1. *Mr. Rusk* welcomed the Canadian Ministers and expressed his appreciation that they had come to Washington although the meetings should normally have been held in Ottawa this time. He was sorry that Mr. Green had been unable to attend and asked that his regrets be conveyed to the Ministers. Canadian members of the Committee could be assured that good relations with Canada were a bi-partisan policy in the United States and that the new Administration wished to continue and consolidate these good relations.

2. *Mr. Fleming* thanked the Secretary of State for his welcome, saying that Canadian Ministers had been looking forward to the meeting of the Committee which had many achievements to its credit. The frankness and friendship of its meetings led to greater understanding of the economic problems of the two countries. Rumours of change in Canadian feelings towards the United States might have reached the Secretary but any such change was inconsequential.

ITEM I: ECONOMIC OUTLOOK FOR CANADA AND THE UNITED STATES

3. *Mr. Dillon* opened the discussion by saying that he would concentrate on the United States Balance of Payments, leaving the domestic situation to Secretary Hodges. During 1960 the United States had been faced with new and unique problems. While the United States had experienced large deficits in its Balance of Payments for the last three years the balance of trade in 1960 had improved, with the export surplus reaching nearly \$5 billion. There had nevertheless been a large outflow of short-term funds, estimated at between \$2 and 2½ billion, mostly in the second half of the year. This flow had been largely due to interest rate differentials and had led to a loss of confidence and some speculation.

...

ITEM III (B)(5): APPLICATION OF FOREIGN ASSETS CONTROL REGULATIONS

102. *Mr. Fleming*, Minister of Finance, said that Canadians had some measures of understanding of the United States position with regard to foreign assets control and with their feeling that these regulations could only be effective if they applied not only to firms in the United States but to the subsidiaries abroad of United States firms over which control is exercised by United States citizens who are directors or officers of these subsidiaries. However, United States Secretaries should keep in mind that in Canada an entirely different view was taken of this problem. There was no area in our common economic relations where there was more danger of explosive public opinion than on this subject of foreign assets control regulations. He said that he could not exaggerate the depth of feelings which could be aroused in Canada about the impact of foreign assets control regulations on Canadian firms. *Mr. Fleming* recalled that in a visit to Ottawa in 1958 President Eisenhower and Secretary Dulles had discussed this subject with Canadian Ministers in the light of a possible order by China for cars manufactured in Canada by a company, the majority of whose shares were held

in the United States.⁴⁸ At that time there had been a head-on clash of opinion between Canada and the United States, and while there had been an agreement on how to deal with these questions this had proved not to be satisfactory to Canada. The agreement on foreign assets control was announced in the following terms at that time:

“The Canadian and United States Governments have given consideration to situations where the export policies and laws of the two countries may not be in complete harmony. It has been agreed that in these cases there will be full consultation between the two Governments with a view to finding through licensing procedures satisfactory solutions to concrete problems as they arise”

Although, in the end, the order for cars did not materialize, Canadian feelings had been deeply stirred at this evidence of United States intervention in Canadian affairs. This problem was still in the minds of Canadians and he and other Ministers were still regularly questioned about the degree of United States control over marketing activities of subsidiaries in Canada.

103. Turning to the present, *Mr. Fleming* said that the question of bunkering of ships in Vancouver carrying Canadian grain to China was a very important issue. He was thankful that this had not yet become a matter of public knowledge since there could be no question of the Canadian public reaction to this problem. If the difficulty in bunkering ships in Vancouver became public it would stir Canadian feelings in the deepest sense and would lend colour to the opinion widely held in Canada about the danger of allowing large segments of Canadian industry to be owned abroad. *Mr. Fleming* made clear that the question of bunkering went well beyond a private corporate decision. He drew attention to the fact that Canadians already found it difficult to accept that private corporations abroad make decisions concerning Canadian subsidiaries in the fields of equity ownership, exports, research, employment, etc. which in some cases were not in the Canadian national interest. However, the application of FAC regulations to Canadian subsidiaries added a new dimension to this problem since these were actions of the Government of the United States, the country from which most foreign investment in Canada had come. *Mr. Fleming* said that Canadians were not a volatile people and that public opinion does not respond too quickly in Canada. However, he emphasized that on this question of extra territorial regulation by the United States involving the marketing operations of Canadian firms, he could not imagine a more serious problem. *Mr. Fleming* said that he hoped that this frank statement of the Canadian position would be kept in mind and that in any plans which the United States might develop to apply foreign assets control regulations in any quarter of the world that, in the interests of harmony between Canada and the United States, the United States would avoid any action that could trigger the type of Canadian reaction which he had outlined.

104. *Mr. Hamilton*, the Minister of Agriculture, pointed out that he, as the Minister most closely concerned with the sale of wheat to China, was particularly perturbed about the question of bunkering of ships in Vancouver. He said that he felt he was sitting on top of a volcano and if the difficulties about bunkering became public he was sure that there would be the most severe Canadian reaction. He emphasized the general concern of Canadians about their independence and pointed out that there were a number of cases in the agricultural field where the impact of foreign assets control regulations was apparent. He described how several companies in the grain trade representing about 60% of the total private grain trade in Canada are affiliates of United States firms and have therefore not participated in the present trade in wheat with China. He also pointed out that Robin Hood Flour Mills, a leading Canadian flour miller, had, because it was an American subsidiary, enquired about the application of foreign assets control to its parent company in relation to sales of flour to China. This firm had been

⁴⁸ Voir/See Volume 25, document 6.

told that because there were Canadian owned flour mills available to do this business they would not be permitted to engage in this trade. Turning to bunkering, Mr. Hamilton said that he could not exaggerate the reaction if the Imperial Oil Company, a company considered to be a Canadian company by all Canadians were ever pointed out publicly as refusing to bunker ships with Canadian oil, the ships carrying Canadian products being exported as part of normal Canadian business. He said that Canadians wanted fair treatment as partners and recognition of their independence by the United States. The intrusion of foreign assets control regulations into the affairs of Canadian firms was not acceptable.

105. *Mr. Ball* thanking *Mr. Fleming* and *Mr. Hamilton* for the frankness and vigour with which they had put the Canadian position on this question. *Mr. Ball* said that he knew that the Prime Minister, *Mr. Diefenbaker*, had discussed this question with President Kennedy during his recent visit to Washington. He promised that the United States authorities would give the most careful consideration to the points made by Canadian Ministers.

106. *Mr. Fowler*, Under-Secretary of the Treasury, said that he would like to comment on the procedures which might be adopted to meet this problem. He began by saying that foreign assets control regulations were administered under the powers given the Administration under the Trading With the Enemy Act. The very designation of this Act gave an indication of the strong feelings involved in the United States on this question. He said that the foreign assets control regulations were in no sense designed to control the day-to-day trading and operations of United States companies abroad. They were confined to one narrow aspect. Since 1958 the United States authorities had been aware of the difficulty which had arisen with respect to subsidiaries in Canada of United States firms. The United States had been trying, and would continue to try, to find ways and means to avoid the creation of issues between Canada and the United States or of offending Canadian sensibilities, while at the same time not compromising a legal principle which the United States authorities felt necessary to safeguard the operation of the Trading With the Enemy Act in future. This Act and accompanying regulations had been important in World War II and such controls do have some potential for application to United States corporations in their overseas operations.

107. *Mr. Fowler* recalled that in 1958 an attempt had been made to resolve this question with a special agreement where if the question of foreign assets control was raised by the Canadian authorities and it could be shown that particular export orders were vital to the Canadian economy where no Canadian company was available to do the business and where the goods involved were not strategic goods, the United States authorities were prepared to ensure that FAC regulations would not stand in the way of Canadian firms obtaining the business. *Mr. Fowler* said that since 1958 three cases have been brought to the attention of American authorities and in each of these cases licenses exempting the parent firms from FAC regulations had been granted. It seemed clear to him that up to the present FAC controls on Canadian exports had not been severe.

108. Turning to the bunkering problem, *Mr. Fowler* said that, even though in this case the criteria adopted in 1958 were not all present, the United States had made a proposal on procedures which would permit United States subsidiaries in Vancouver to bunker ships carrying grain to China. He hoped that the informal proposal suggested might be satisfactory and, in any case, he suggested that informal consultations between Canada and the United States could resolve any problems involved with foreign assets control. *Mr. Fowler* reiterated that the United States wished to maintain the legal principle involved in these regulations, otherwise it might be difficult or impossible for the United States to enforce this law if it could be readily evaded by subsidiaries of American firms in Canada or elsewhere. He concluded by saying that the United States Government would continue to be ready to discuss individual

questions with Canadian authorities as problems occurred, and he would welcome Canadian suggestions.

109. *Mr. Hamilton* referred to the importance of ensuring that Canadian sovereignty was not being impinged. He agreed that, in wartime, restrictions concerning trading with the enemy would be acceptable in both Canada and the United States. However, in the present situation it was Canadian policy that trading with the Soviet Bloc maintained useful contacts, and there was the hope that as long as trading went on, fighting would not break out. *Mr. Heeney* said that there seemed to be two aspects of this problem which might best be kept separate in order to expedite solutions. There was the general point of principle that FAC regulations should not apply to firms in Canada operating within the limits of Canadian law. *Mr. Heeney* said that the United States had made efforts to meet individual difficulties which had arisen under the present law and regulations. The United States law seemed to have some flexibility but the procedures as outlined in foreign assets control may not have the necessary flexibility to meet the Canadian problem. *Mr. Heeney* hoped that the United States authorities would consider how they might change either the law or the executive regulations to eliminate their impact on Canadian firms. He felt it would be desirable for the United States to consider some fundamental change in their system.

110. Turning to the second aspect of this problem, the urgency for solving the particular situation regarding bunkering of ships in Vancouver, he said that the Imperial Oil Company case was a perfect laboratory example confirming the opinion held by some Canadians that we cannot permit Canadian corporations to be owned and manned by foreigners without losing control over them. With regard to procedures which might be involved in relation to the bunkering case, *Mr. Heeney* felt that some satisfactory arrangement could be made if this problem did not become public knowledge. The proposal presently before the Canadian authorities did not yet meet our position. *Mr. Heeney* also pointed out that if the Canadian authorities should continue to discuss this particular question with United States authorities, this did not in any way represent acquiescence by the Canadian Government in supposed United States rights over the operations of subsidiaries, which rights Canada considered did not exist.

111. *Mr. Fleming* drew attention to the recent order prohibiting United States citizens from owning gold outside the United States. He pointed out that this also appeared to be an attempt to apply United States law to action on Canadian soil. Regulations of this kind, involving extra-territorial effects, seemed to be issued by the United States authorities as a matter of routine without any apparent awareness of their implications.

112. In concluding this item, *Mr. Ball* said that this was a question of broad principles which were necessarily complex. The United States Administration felt it essential that they have powers to prevent United States citizens, whether at home or abroad, from frustrating United States policies. He hoped procedures could be worked out to meet the Canadian point of view without upsetting the principles to which he and *Mr. Fowler* had referred.

113. The Committee recessed at 12:30 p.m. It reconvened at 2:30 p.m.

ITEM IV: COMMUNIQUÉ

114. The Committee reviewed a draft communiqué and approved its immediate release.

ITEM V: OTHER BUSINESS

115. *Mr. Ball* stated that the meetings had proved most stimulating and that the candid and free expression of views would prove helpful in shaping United States thinking. Slight divergence of interests in small matters must be expected but this did not apply to the larger interest of the two countries. The United States Members of the Committee would look

forward to future talks and he thought that a further meeting of the Committee might be envisaged sometime in 1962.

116. *Mr. Fleming* replied by expressing the gratitude of the Canadian Members at the hospitality and the friendliness with which they had been received. The convocation of the Committee so soon after the installation of the new Administration, despite the many calls on the time of United States officials, was especially appreciated. He hoped that the Committee might next meet in Ottawa and suggested that, although there was no precise pattern to the timing of the meetings, they might in future be held at intervals of 8 months or so.

117. *The Committee* agreed on the way in which press questions on the communiqué would be handled,⁴⁹ and adjourned at 3:00 p.m.

399.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], March 16, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
The Minister without Portfolio (Mr. Halpenny).
The Assistant Secretary to the Cabinet (Dr. Hodgson),
Mr. D.F. Wall, Privy Council Office.

. . .

JOINT CANADA-U.S. COMMITTEE ON TRADE AND ECONOMIC MATTERS; CUBA
(Previous reference March 9)

4. *The Minister of Finance* reported orally on the meetings of the Joint Canada-U.S. Committee on Trade and Economic Matters held in Washington on March 13th and 14th. He recalled that he had reported in detail on the previous day both in the House of Commons and at the Caucus. Generally, the meetings in Washington had been very cordial, and it had been apparent that the new U.S. administration would like to improve relations with Canada. The

⁴⁹ Voir/See George Bain, "Canada Defends Tariff Change: Think U.S. Ready to Delay Five," *Globe and Mail*, March 15, 1961, p. 1.

meetings had revealed a greater area of agreement in questions of multilateral trade, particularly in the marketing of agricultural products, than had been expected.

The question of trade with Cuba was not discussed at the plenary sessions but was raised at an informal meeting on March 13th in which Messrs. Rusk and Dillon represented the United States and Messrs. Fleming, Hees and Heeny represented Canada, with senior officials of both governments in attendance. The U.S. representatives has said that Castro was importing more munitions and that increasing numbers of Soviet agents were arriving in Cuba. That country was likely to become a major Soviet missile and jet base unless present trends were immediately checked. Castro was also trying to extend his influence into other countries on the rim of the Caribbean. The stronger Latin American countries were concerned about current developments in Cuba, but were unable to give open support to the U.S.

The U.S. administration had concluded that strong economic sanctions against Cuba at this time might avert armed intervention later. They had therefore decided to suspend forthwith all imports from Cuba, and all exports to Cuba with the exception of welfare food supplies. The Monroe Doctrine would justify the U.S. in taking strong measures to prevent Soviet penetration of this hemisphere, as would be the U.S. responsibility as a member of the Organization of American States to defend the Latin American area against aggression.

The Canadian Ministers had therefore been asked whether Canada would prohibit the shipment to Cuba of (a) machinery and parts for oil refineries, (b) machinery and parts for sugar refineries and (c) truck parts. Mr. Fleming said that truck parts might be classified as strategic items, but not the other two items.

During the course of this long informal discussion the Canadian Ministers had emphasized the fact that public opinion in this country would take violent exception to any step that might imply that U.S. laws were being granted an extraterritorial application in this country. The bunkering of the ships chartered to carry Canadian wheat to China had been quoted as an illustration.

To guard against the danger that the U.S. representatives might have regarded the Canadian Ministers as having been un-cooperative or unrealistic at the informal meeting, Mr. Hees and Mr. Fleming had met again on March 14th with Mr. Dillon and Mr. Ball. The Canadian Ministers had then said that, if the U.S. should formally request Canada to ban shipments of the three kinds of goods specified, any such request would receive serious consideration and that Canada would wish to act as a good neighbour and ally. Meanwhile the question would receive preliminary study by the government of Canada. The Ministers had said that the banning of shipments of truck parts would probably not raise any serious problems. Investigation might show that Canada had never exported machinery for oil or sugar refineries to Cuba.

The Canadian Ministers had emphasized that Canada would not be justified in imposing an embargo on trade with Communist Cuba, because Canada was selling grain to Communist China. Canada was not a party to the Monroe Doctrine. Canadian assets in Cuba, unlike those of the U.S., had not been confiscated. Therefore, the only ground for the banning of shipments of the machinery items would be the fact that Canada and the U.S. were allies and close neighbours.

As planned, the Minister of Agriculture and the U.S. Secretary of Agriculture had discussed, informally, the proposed sale of grain by Canada to Communist China. No objection or adverse comment had been made by the U.S. Minister. Mr. Hamilton had also invited the U.S. Secretaries of Agriculture and of the Interior to visit Canada at an early date, and these invitations would probably be accepted.

5. *The Minister of Trade and Commerce* pointed out that the Prime Minister had announced that Canada would trade with Cuba in non-strategic goods, and therefore an embargo on

shipments of these kinds of machinery from Canada to Cuba would represent a reversal of policy. At the meetings he had gained the impression that the U.S. administration had expected the government of Canada to follow their lead almost automatically, and that the independence shown by the Canadian Ministers had surprised them.

6. *During the brief discussion* the following points were raised:

(a) An armed intervention by the U.S. in Cuba would have the gravest international implications. It would enable the Communist nations to claim that the U.S. was bullying a small state in Latin America. Such a situation might even provoke a world war.

(b) Some Ministers said that the larger Latin American States did not in fact sympathize with U.S. policy in Cuba.

(c) No information had been received to confirm the statement that Cuba was being converted into a Soviet missile base.

7. *The Cabinet* noted the oral reports of Ministers on discussions at meetings of the Joint Canada-U.S. Committee on Trade and Economic Matters held in Washington on March 13th and 14th.

...

SECTION B

CATÉGORIE OU TYPE

CLASS OR KIND

400.

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 E-60

Ottawa, January 17, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, GATT Tariff Del, Geneva, NATO Paris, Brussels, Paris, Bonn, Wellington, Canberra, Tokyo.

CLASS OR KIND DISCUSSIONS WITH US OFFICIALS

The following is a summary of the main points that emerged in the discussions between Canadian and US officials held in Ottawa January 10 and 11 on the changes in the class or kind provisions of the Canadian Customs Tariff.⁵⁰ A more detailed account of these meetings will be sent by bag to missions directly concerned.

2. U.S. officials confirmed that the class or kind amendments had caused concern in several U.S. agencies; they argued that the amendments would have a substantial protectionist effect, that they impaired tariff concessions negotiated by Canada with the U.S. and that they could not be reconciled with Article X.3 of the GATT.

⁵⁰ Les changements furent annoncés dans le discours du 20 décembre 1960 sur le budget supplémentaire. Voir Canada, Chambre des Communes, *Débats*, 1960-61, volume I, pp. 1044, 1052 à 1054.

The changes were announced in the supplementary budget speech on December 20, 1960. See Canada, House of Commons, *Debates*, 1960-1961, Vol. I, pp. 1006, 1013-14.

3. Discussions focussed on three issues:

(a) Canada's freedom to amend the class or kind provisions of the Customs Tariff without renegotiating concessions;

(b) The definition of shelf goods and custom made goods and the scope of the trade affected by the amendments; and

(c) The Minister's final determination and procedure for appeal.

4. Canadian officials explained (in the terms set out in the budget speech) that the purpose of the amendments was to clarify the meaning of the words "class or kind" for the purpose of the Customs Tariff. They also pointed out that in recent years the absence of an adequate definition had given rise to increasing difficulty, delay and uncertainty in making class or kind determinations, both in respect of custom-made goods and so-called shelf goods. Since the early 1950's certain Tariff Board and court decisions had tended to narrow the fairly broad interpretation which previously had been applied. The present amendments were intended to provide a workable definition which would restore and confirm the historic interpretation. It was considered necessary to introduce a workable definition if "class or kind" items were to be retained in the Canadian tariff and it was suggested that the retention of low-rate "class or kind not made" items was in the mutual interest of Canada and her trading partners.

5. With regards to the US suggestion that Canada should have conducted negotiations under Article XXVIII before introducing the new definition of class or kind, Canadian officials pointed out that this would have involved renegotiating something which had never been negotiated. Neither the language of Section 6(10) nor that of the 1936 Order in Council was bound. Moreover, the effect of the new provisions was not to depart from administrative interpretations and practices which had prevailed when the GATT was negotiated, but rather to restore and confirm them. It was pointed out that any limitations which had been placed on the right of importers to appeal class or kind decisions to the Tariff Board applied only to a limited area within which the exercise of some administrative discretion was in the nature of the case necessary. Moreover, in such cases the final arbiter would be a Cabinet Minister, accountable to Parliament, who could be held fully responsible for his actions. With regard to the scope of the trade potentially affected, it should be kept in mind that any tariff rate effects would be confined to border-line cases within the 75 or so "class or kind" items. The relationship between class or kind determinations and the application of dumping duties was also discussed.

6. While no assurances were given beyond those contained in the supplementary budget speech, it is our impression that the explanations which were given reduced to a considerable extent the concerns felt by the US officials. We would hope that following the conversations their disposition would be to adopt a wait and see attitude, and to advise their Government against bringing the issue before the GATT on narrow legalistic grounds unless and until experience with the operation of the amendments should provide them with a basis for claiming actual damage to their trade interests.

7. It was agreed that there would be no publicity about these discussions but that in reply to questions we might confirm that they had taken place as part of the normal and frequent consultations between the two countries on economic and trade matters.

8. For London: We were also approached by the UK High Commissioner's Office. The UK noted the changes in the class or kind provisions of the Customs Tariff and reserved their position particularly with respect to GATT Article 2 until practical effects became clear. We shall acknowledge UK message and send copy to you.

401.

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 181

Washington, January 17, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: GATT Tariff Del (Priority), T&C Ottawa, Finance Ottawa, National Revenue Ottawa (Priority) from Ottawa.

CLASS OR KIND

Weiss, Deputy Director, Office of International Trade, State Department, told us yesterday that while the Ottawa talks had been most useful they had allayed only some of the lesser USA concerns and that their major problems remained. He said USA authorities continued to feel that we were changing concessions by redefinition and that they had a clear Article XXIII case. They were concerned not repeat not only with the effect on USA exports to Canada but also with the precedent for other countries. He said that according to present plans we could expect official representations in the near future and that these would probably (a) seek written confirmation of a number of points made by Canadian officials at the Ottawa talks and (b) propose that Canada enter into renegotiations under Article XXVIII. In this connection Weiss compared the principles raised by the Canadian measures to those involved in USA Congress redefinition of waterproof fabrics and rubber soled footwear in 1954. These items were renegotiated by USA. He commented that the proposed reaction was mild compared with some of the alternatives being urged by other agencies.

2. We shall try to follow up and discuss USA reactions informally in more detail on the basis of your record of the Ottawa talks.

402.

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 228

Washington, January 19, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: GATT Tariff Del (Priority), T&C Ottawa, Finance Ottawa (Priority) from Ottawa.

CLASS OR KIND

I called today on Martin, Assistant Secretary Economic Affairs, State Department, at his request, accompanied by Schwarzmann, and was handed the following note:

“The Secretary of State presents his compliments to His Excellency the Ambassador of Canada and has the honor to refer to the discussions held at Ottawa on January 10 and 11 between officials representing the Governments of USA and Canada concerning proposed revisions in the Canadian tariff law with respect to the treatment of imports of items “of a class or kind not repeat not made in Canada.” As was made clear in the course of those discussion,

the Government of USA is deeply concerned over the potential effects of the proposed changes.

During these discussions, representatives of the Canadian Government presented the following interpretations of certain basic features of the proposed tariff revisions: (1) that the new category of “custom made goods” is, in fact, limited to items which are “one of a kind” such as electrical generators or steam turbines and does not repeat not include the mass production, according to specifications, of goods for resale, (2) that “available facilities” in Canada means the existence there or production capacity physically in being, of skilled labor and know how, and that the facilities would be ready to begin production promptly and would be able to turn out the goods within reasonable delivery dates, and (3) that a right of appeal to the Canadian Tariff Board would exist in relation to the interpretation and application of the newly introduced concept of “*approximately* of a class or kind not repeat not made in Canada” and the concept of “domestic production” in applying the 10 percent rule to so-called shelf goods and any limitations on the right of appeal would be strictly limited to the three matters specified in the proposed legislation. USA Government would appreciate confirmation that these interpretations will be considered as binding upon the Government of Canada in implementing these proposals.

Despite these understandings as to scope, it is nevertheless believed that the proposed changes with respect to “approximately” and “available facilities” constitute a narrowing of the scope of concessions under the General Agreement on Tariffs and Trade in violation of the obligations of Canada under Article II of that agreement unless the modification of such concessions is effected pursuant to some procedure under the agreement, presumably renegotiation under Article XXVIII. At the same time, these proposed changes will, in the view of USA Government, have a harmful impact upon USA trade with Canada and will seriously impair the concessions which USA obtained from Canada through negotiations.

In addition, the denial of a right of appeal to an independent body, presumably the Canadian Tariff Board, with respect to certain basic determinations required in implementing the “class or kind” section of the Canadian Tariff Law raises important legal questions as to consistency with Canada’s obligations under paragraph 3 of Article X of the GATT. These basic determinations relate to: (1) “normal Canadian consumption” of goods, (2) what constitutes “goods custom made to specifications,” and (3) “whether adequate facilities exist in Canada for the economic production of such goods (i.e. custom made goods) within a reasonable period of time.”

In light of the foregoing, USA Government urges that the Government of Canada renegotiate these concessions under appropriate GATT procedures. It is the view of USA Government that failure to do so would not repeat not only be viewed with great concern in USA, but would also have unfortunate effects on the future application of the GATT schedules of other Contracting Parties.”

[A.D.P.] HEENEY

403.

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 E-875

Ottawa, May 1, 1961

CONFIDENTIAL. OPIMMEDIATE.

CLASS OR KIND

Following is text of a reply to State Department's Note January 19. We should be grateful if you would arrange to deliver this Note today. Text Begins:

Ambassador of Canada presents his compliments to Secretary of State and has honour to refer to former Secretary of State's note of January 19 concerning proposed revisions in Canadian Customs Tariff with respect to treatment of imports of items of a class or kind not repeat not made in Canada.

2. It will be recalled that these amendments were discussed briefly with USA officials prior to their introduction in House of Commons, discussed at more length in Ottawa on January 10 and 11, and discussed at Cabinet level in meeting of Joint Committee on Trade and Economic Affairs on March 13 and 14.

3. In light of discussions which took place on January 10 and 11 USA note January 19 sought confirmation of following interpretations of three basic features of revised provisions: (1) that new category of "custom made goods" is in fact limited to items which are "one of a kind" such as electrical generators or steam turbines and does not repeat not include mass production according to specifications of goods for resale (2) that "available facilities" in Canada means existence there of production capacity physically in being of skilled labor and know how and that facilities would be ready to begin production promptly and would be able to turn out goods within reasonable delivery dates and (3) that a right of appeal to Canadian Tariff Board would exist in relation to interpretation and application of newly introduced concept of "approximately of a class or kind not repeat not made in Canada" and concept of "domestic production" in applying 10 percent rule to so-called shelf goods and any limitations on right of appeal would be strictly limited to three matters specified in proposed legislation. The note asked for confirmation "that these interpretations will be considered as binding upon Government of Canada in implementing these proposals."

4. Canadian Government confirms that understanding of USA Government on these three points is essentially correct. By way of further elaboration following may be helpful. Under point (1) it might be explained that so-called "custom-made" goods are limited to articles made to special specification for use of individual purchaser and would include such apparatus as electric steam turbo generator sets atomic reactors turbines etc. This category would not repeat not include broad range of goods made to manufacturer's specifications and regularly offered for sale through catalogues price lists or from stock. As regards point (2), legislation requires that there be in existence in Canada adequate facilities for production of goods within a reasonable period of time. To comply with this requirement it is considered that there must be in Canada one or more manufacturers who have necessary installed manufacturing or producing equipment coupled with technical knowledge and personnel required to fabricate goods. A further requisite is that production of goods must be within a reasonable period of time. In this connection regard must be had for particular goods involved and standards established by good business practice in particular field. In matter of point (3) under new

legislation regular appeal procedure to Tariff Board is available in respect of other than "custom-made" goods as to (a) whether imported goods are of "approximately" same class or kind as goods made in Canada (b) determination of amount of Canadian production and (c) whether or not repeat not quantity manufactured in Canada does in fact represent a minimum of 10 percent of normal Canadian consumption. Limitations on right of appeal are confined to two areas mentioned in legislation viz., normal Canadian consumption of goods other than goods custom-made to specifications and secondly whether goods are custom-made to specifications and whether adequate facilities exist in Canada for economic production of such goods within a reasonable period of time.

5. While these interpretations are in accordance with Canadian Government's understanding of meaning and intent of revised law and in accordance with the way it intends to administer it it should be noted that these interpretations could themselves be affected by judicial review in certain respects. For this reason and in light of fact that language of "class or kind" provisions in custom tariff has never been bound Canadian Government could not repeat not undertake that these interpretations are considered as "binding" upon itself.

6. Canadian Government cannot repeat not agree that proposed changes constitute a narrowing of scope of concessions under General Agreement on Tariffs and Trade in violation of Article II. Provisions of Customs Tariff concerning meaning of "class or kind" were never bound nor was the Order-in-Council of July 2-36 which established the "ten percent rule."

7. From statements made by government spokesmen at time "class or kind" provisions were introduced into tariff it is clear that phrase "class or kind" was intended to have a reasonably broad interpretation i.e. that it was not repeat not intended that imported goods would be classified as "not repeat not made in Canada" simply because their size style or quality differed somewhat from that of similar products made in Canada. This was interpretation applied consistently throughout nineteen-thirties and nineteen-forties. Very few departmental rulings relating to "class or kind" were appealed during that period and such appeals as were made were almost invariably unsuccessful. This was the situation prevailing when bindings were accorded to USA on "class or kind" items under general agreement. It must be presumed that at that time USA was aware of and in evaluating these concessions took into account way in which these tariff provisions were then administered.

8. From about 1950 there has been a great deal of litigation concerning "class or kind" rulings and outcome of decisions has been considerable narrowing of interpretation of phrase "of a class or kind made in Canada." Purpose of amendment in this respect is simply to restore and confirm practice which prevailed at time of relevant negotiations under general agreement.

9. USA note also raised questions about provision that decision of Minister shall be final with respect to following matters (a) normal Canadian consumption and (b) whether goods are custom-made to specifications and whether adequate facilities exist in Canada for economic production of such goods within a reasonable period of time.

10. On matter of "normal Canadian consumption" object of making Minister's determination final is to permit final rulings to be made within a reasonable period of time so that interested parties may plan for future with reasonable certainty. Necessity for this provision arose out of inadequacy of official statistics. In some instances official published statistics available are not repeat not broken down in sufficient detail to provide information required for determination of normal Canadian consumption. In absence of official published statistics customs authorities must turn to Canadian and foreign suppliers to obtain necessary information. Figures obtained in this fashion are usually of a confidential nature which Tariff Board is reluctant to use since they cannot repeat not be published. In many cases adequate published statistics on Canadian production exports and imports are available and in such cases calculation of domestic consumption on basis of published figures would not repeat not be a matter for litigation. Area

of ministerial discretion therefore will in practice be a limited one. In matter of custom-made goods need for final determination by Minister arises out of impossibility of applying 10 percent rule to items which are in reality unique. In this connection it should be recalled that Tariff Board had itself drawn attention to inadequacy of 10 percent rule in respect of custom-made items.

11. Effect of these provisions is to confine right of appeal to all questions of law and such questions of fact as are susceptible to judicial review. Experience has shown that litigation such questions of fact as are not repeat not really susceptible to judicial review gives rise to undue delays and continuing uncertainties. Effect is not repeat not to promote trade but to frustrate it.

12. It should be noted that Bill now provides that any decisions of Minister in respect of these matters are to be published forthwith in *Canada Gazette*.

13. USA Government has urged that Government of Canada renegotiate under appropriate GATT procedures concessions on items of a class or kind not repeat not made in Canada. It will be clear from what has been said earlier in this note that Canadian Government does not repeat not regard itself as under any obligation to renegotiate these tariff items. No repeat no change in wording of concessions is proposed and changes in administration of provisions of Customs Tariff in respect of "class or kind" are designed to restore interpretation and practice which prevailed at time these concessions were negotiated.

404.

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 1399

Washington, May 2, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel E-875 May 1.

Repeat for Information: T&C Ottawa, Finance Ottawa, National Revenue Ottawa (OpImmediate) from Ottawa, Tariff Del Geneva (OpImmediate).

CLASS OR KIND

We presented yesterday the Canadian reply as a numbered note to Martin, Assistant Secretary for Economic Affairs, State Department.

2. Martin commented that he saw no repeat no reference in this note to the right of appeal with regard to the concept of "available facilities in Canada." He said USA authorities were particularly concerned with the possible interpretation that could be given to this concept which was a new element in Canadian legislation and was not repeat not envisaged by USA at the time of negotiation.

3. Speaking more generally, Martin said that USA would probably have to maintain its stand that compensation, if only of a token character, was required. He said the Canadian legislation raised issues of principle since it changed the nature of concessions through administrative action. He thought it would be a dangerous precedent in GATT if our contention, that such administrative changes did not repeat not require negotiation, were allowed to go unchallenged. He suggested that Canada should share the USA concerns over the possible use that could be made of this precedent by other countries.

4. Martin added that in the absence of any clarification of USA position, in the course of the Parliamentary debate in Ottawa, USA would have to issue a public statement making it clear that they had requested compensation from Canada. USA statement would be prepared in the light of the Canadian reply and we would be given advance notice.

405.

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 G-206

Ottawa, May 5, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel E-875 May 1.

Repeat for Information: London, GATT Tariff Del.

CLASS OR KIND

After discussion with Willis Armstrong of USA Embassy we would propose that the note which you submitted on basis of above telegram should be withdrawn and a revised version should be submitted in its place. We believe that USA authorities will appreciate changes which are being made. You might discuss with State Department whether they would wish the new note to be given the date of the original or whether it should contain date on which it is re-submitted. We would suggest that this substitution of notes should not repeat not take place before May 9 to 10.

2. The following are changes which you should make in the text contained in telegram E-875:

(a) Confidential classification should be removed but State Department should be informed that we have no repeat no intention of publishing text and in keeping with normal practice would expect them to consult us if at any time they consider publication to be necessary.

(b) Revise paragraph 2 to read: "It will be recalled that these amendments were discussed on several occasions with USA officials, including discussions in Ottawa on January 10 and 11, and were discussed at Cabinet level in meeting of Joint Committee on Trade and Economic Affairs on March 13 and 14."

(c) In paragraph 5 delete all of the last sentence beginning with the words "for this reason" and ending with "upon itself."

406.

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 1506

Washington, May 10, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tel G-206 May 5.

Repeat for Information: London, Tariff Del (Priority), T&C Ottawa, Finance Ottawa,
National Revenue Ottawa (Priority) from Ottawa.

CLASS OR KIND

We have today withdrawn the earlier note and given State Department the revised note as per your instructions. The revised note carries the same number and date (May 1) and also the same State Department internal registry number.

SECTION C

COMMISSION ROYALE D'ENQUÊTE SUR LES PUBLICATIONS
ROYAL COMMISSION ON PUBLICATIONS

407.

D.M.F./Vol. 102

*Note du ministre des Finances
pour le premier ministre*
*Memorandum from Minister of Finance
to Prime Minister*

SECRET

[Ottawa], June 7, 1961

ROYAL COMMISSION ON PUBLICATIONS
FISCAL PROPOSALS

1. The general nature of the ground explored by the Commission is by now familiar. The Commission finds that Canadian magazines are in serious trouble; their number has decreased over the years and the net mortality continues.

2. The Commission recognize that magazines in other countries are also facing difficulties, chiefly because of the introduction of television. However, in Canada these normal difficulties are severely aggravated by what the Commission considers to be "unfair" competition from abroad, i.e. from the United States.

3. This unfair competition takes a number of forms. The most important species involves the use, by U.S. publishers, of their own mass-circulation magazines as a means of diverting to themselves Canadian advertising expenditures that might normally be made in Canada. Thus U.S. publishers, using their own magazines as the basic medium, either make slight modifications in the form of "Canadian editions," or "special editions" or "split runs" or else they use their own normal edition unchanged but with some sort of special advertising insert. In any of these cases, certain advertisements are primarily directed at the Canadian market,

while the magazine itself is, largely or entirely, directed towards and its editorial and other costs are paid for by the U.S. market. Hence the unfair competition for Canadian magazines, which have to bear their own costs in full. Another form of unfair competition arises from the circulation-wars which break out between the U.S. magazine publishers and “overflow” into Canada. Here again, the general costs of the massive, high pressure U.S. sales campaigns, in particular the advertising circulars which are becoming more and more expensive, are borne by the U.S. market and it is difficult for Canadian publishers to compete against the overflow.

4. The Commission argues that the maintenance of truly Canadian magazines is very much in the Canadian national interest having regard to both national identity and cohesion and also to the development of the capacities of Canadian authors.

5. This leads the Commission to consider ways of assisting Canadian magazines. Government subsidization in any form is rejected. The basic conclusion of the Report is as follows:

“The Commission concluded that a genuinely Canadian periodical press can only exist by assuring for Canadian publications, under equitable conditions, a fair share of domestic advertising.”

In order to assure to Canadian publications a fair share of Canadian advertising, the Commission makes two main recommendations:

“(1) That the deduction from income by a taxpayer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical wherever printed be disallowed; and
(2) That the entry into Canada from abroad of a periodical containing Canadian domestic advertising be excluded under Schedule ‘C’ of the Customs Act.”

6. The Commission also makes a number of less important recommendations. For convenience, the Commission’s own summary of their recommendations is reproduced and attached hereto.† It will be noted that both the main recommendations (as quoted above) are fiscal in nature, one involving the Income Tax Act and the other the Customs Tariff. In addition, two of the minor recommendations involve the Customs Tariff, viz two recommendations relating to Tariff Item 178, the first relating to advertising circulars and the second relating to catalogues.

7. In passing, it should be remarked that while most of the recommendations seem to flow in one way or another from the analyses and conclusions of the Report, a few of them seem to be quite disconnected. The recommendation regarding catalogues would seem to be an example of the latter type of recommendation. Three months ago the Chairman ceased to play an active role and one of the other Commissioners in effect “took over.” This fact may explain some of the anomalies and discontinuities in the Report.

Scope of Government Action.

8. If the Government is going to give support to the conclusions and recommendations of the Royal Commission, it will have to implement the two main recommendations, whether in the precise form proposed or in some modified form. However, before proceeding to an analysis of these and other recommendations there is an important point of substance to be considered.

9. The basic theme, developed early in the Report, is that, if a nation’s media of communications are to be healthy and independent of Government, the nation’s advertising expenditures must supply the necessary financial support to these media. It follows from this that the nation’s advertising expenditures cannot be allowed to flow abroad in large quantities.

10. Now this philosophy is general; it applies to the support of *all* media of communication, and not merely to magazines. And it is well known that there are other types of Canadian advertising, in addition to magazine advertising, that flow abroad in large quantities. By far the most important is the Canadian television advertising that is placed with U.S. stations near the border. There is also an appreciable flow of Canadian advertising expenditures devoted to the

purchase of circulars of many sorts which Canadian firms, or Canadian-American firms, buy in the United States and cause to be mailed from the United States into Canada. In many cases, we are informed, such circulars are rather like “split run” magazines in that the circular is basically designed to advertise a product in the U.S. market and, with slight changes, is adapted to the Canadian market at a cost far below what would be necessary to produce the circular in Canada for the relatively small quantities needed to cover the Canadian market.

11. If the Government were to take action to prevent or restrict those Canadian advertising expenditures now flowing into U.S. television stations, there is a general presumption that some Canadian media of communication, no doubt including television, would benefit. But there is no presumption that Canadian magazines would benefit appreciably. Nor is there anything specific in the Report, as it has emerged, that would provide a basis for action affecting Canadian television expenditures placed abroad; (a memorandum providing extensive information on this matter was prepared by the Commission staff but was not included in the Report or Appendices.) On the other hand the Report *does* contain a recommendation that would curtail Canadian expenditures on circulars printed abroad; this is considered below.

12. Thus, the Government seems to be confronted by two basic decisions rather than one: Should the basic recommendations of the Report be carried out in relation to Canadian periodicals? If so, should these recommendations be broadened to affect Canadian advertising expenditures relating to other media besides periodicals, specifically broadcasting and circulars, or should they be confined to periodicals?

Recommendations Regarding Income Tax.

13. The Recommendation regarding income tax is, in essence, quite straightforward: that expenditures by Canadians on advertising in “foreign” magazines should not be a deductible expense for tax purposes insofar as that advertising is directed, not at the foreign market, but at the Canadian domestic market.

14. Difficulties, of definition and administration arise at two points. The first is: What is a “foreign” magazine from which Canadian advertising outlays are to be diverted? The answer given by the Commission is that a “foreign magazine” is any magazine that is not Canadian, and a Canadian magazine is defined as follows:

“A Canadian periodical is one published in Canada, owned either by Canadian citizens, or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and is not a licensee of or otherwise substantially the same as a periodical owned or controlled outside Canada.”

15. It is quite clear that the “Canadian” editions of U.S. magazines are to be classified as “foreign,” whether printed in Canada (*Reader’s Digest* and its French-language counterpart *Sélection*) or printed in the United States (*Time* and various others). It is apparently the expectation and intention of the Commission that such editions should stop publication and that Canadians should revert to reading the ordinary U.S. editions; the incidence of the income tax proposal would be such as to make the placing of Canadian advertising in all “foreign” media prohibitively expensive for the Canadian advertiser.

15A. The cases in which it is not the Canadian advertiser that pays for the advertisement, but his U.S. “parent firm,” are to be dealt with by the tariff amendments discussed below.

15B. The definition of “a Canadian periodical” is now being studied by the Department of National Revenue from the point of view of administration. The proposed line of distinction between these and foreign periodicals is by no means devoid of difficulties. If, for example, a magazine is owned by a corporation, the citizenship of the shareholders is to be ascertained. If the controlling shareholders are Canadian individuals, the magazine may be classified as Canadian. According to the literal text of the criteria put forward by the Commission, it

appears that if a publishing company is controlled by another company, the magazine could not be qualified as Canadian. If the *Toronto Star* is a corporation, as we suppose it is, the effect of the definition in its present form is to render the newspaper foreign by reason of its being owned by a foundation rather than by Canadian citizens. The criteria, therefore, require clarification. It is clear that whenever a periodical is published by a corporation that citizenship of the shareholders is to be ascertained as well as the citizenship of the directors. The Income Tax Act as it stands is based upon residence but no detail in it is based upon citizenship. Consideration might be given to whether the Canadian character of a publication could be based to the satisfaction of the Government upon the established and familiar concept of the residence of shareholders and directors rather than upon their citizenship. However these points are resolved, the Department of National Revenue (Taxation) would presumably be required to maintain at all times a current list of Canadian magazines. Magazines not included in this list would be regarded as foreign.

16. With respect to advertising placed in "foreign" magazines by or on behalf of Canadians, determinations are to be made in each case as to whether it is directed at the Canadian consumer or at the foreign consumer. It is clearly essential that some types of Canadian advertising should continue without penalty to be placed in foreign periodicals, e.g. advertising of Canadian export products and advertising designed to bring tourists to this country. The distinguishing feature of such advertising is that it is directed at the foreign consumer, not the Canadian. In many cases, this determination may be easy and obvious. In other cases, however, it may be more difficult. Nice points are undoubtedly capable of being resolved in the courts. It should be borne in mind, however, that U.S. publishers in their annoyance will choose cases to embarrass the Government. This Department, in collaboration with the Department of National Revenue (Customs and Excise) and the staff of the Commission, has developed an alternative approach to this present point which is set forth in paragraph 20 below in connection with tariff proposals. The alternative form can be defended and administered, but it does not provide for complete certainty, especially for purposes of the Income Tax Act.

16A. Advertising agents and their clients will wish to know in advance whether particular advertising programmes and particular advertisements will be regarded for tax purposes as being directed at the Canadian market. They will not wish to spend their money on advertising which might be disallowed as an expense at a later date. It will be appropriate, therefore, for the Department of National Revenue (Taxation) to undertake to certify in advance. Hitherto that Department has opposed advance rulings and may regard the current proposals as the thin edge of a wedge.

16B. Only a small proportion of corporation income tax returns are assessed in each year. The Department of National Revenue will be unable, therefore, to assess a very large proportion of advertising expenditures to see whether they were in fact paid to foreign periodicals and, if so, whether the advertisements were in fact directed at the Canadian market. To some extent this lessens the effectiveness of the proposal but does not destroy it as long as the average taxpayer believes there is a good chance that he may be assessed.

16C. In effect, the Commission has recommended that certain expenditures on advertising should be disallowed for reasons that are irrelevant to the normal determination of income. This is not of itself necessarily objectionable but it is novel. There is no exact precedent in the Income Tax Act. Certain tax concessions have been made available in connection with work undertaken in Canada, for example, on new mines or on scientific research, but the current proposal is a little bit different. From the legal point of view, new ground is being broken. There is some danger that the courts may decide the new scheme to pertain to something other than taxation.

17. However, before leaving the matter of income tax, it should be pointed out that it is in this field in particular that the Government must decide whether its actions are to relate specifically to magazines or, more broadly, to other media as well. The non-deductibility of expenditures on advertising in “foreign” media can be confined to magazines or extended to others, including television. In this connection, however, it should be noted that the television problem differs from the magazine problem in at least one important respect. If a U.S. parent places Canadian-directed advertising in a magazine printed in U.S.A., it is possible to prevent that magazine from entering Canada; but there is no way of preventing U.S.-paid but Canadian-directed advertising from being broadcast into Canada from U.S. television stations near the border. (We are not, presumably, going to consider “jamming” the broadcasts!)

18. This consideration suggests that, at least for the moment, Government action, in the income tax field at least, should be confined to magazine advertising. The Government may, however, wish to pursue studies of the practicability of broader action in this field.

Recommendations Regarding the Tariff.

19. There are three recommendations regarding tariffs and imports; one regarding periodicals in the form of special editions, or split-runs, or carrying Canadian-directed coupons, inserts, etc.; a second regarding advertising circulars mailed into Canada from abroad; and a third regarding catalogues. In regard to the first, the Commission recommends an outright ban; in regard to the second and possibly the third the Commission recommends the imposition of substantial, although not prohibitive duties on material that is now entering Canada duty-free.

Imports of Periodicals Carrying “Canadian” Advertising.

20. If it is decided to place a ban on imports of split-runs, Canadian editions, etc., this could be implemented by the introduction into Schedule ‘C’ (the prohibited list) of the Canadian Customs Tariff an item in the following sense:

Periodicals which, under Regulations prescribed by the Governor-in-Council, have been found to contain advertising which indicates the availability of a product or service in Canada, except where the reference to availability in Canada is primarily (or principally) directed to consumers outside Canada. This item shall come into force on Proclamation.

21. The proposed regulations would spell out in some detail the interpretation that would be applied by the Department of National Revenue to such phrases as “availability in Canada” and “primarily (or principally) directed to consumers outside Canada.” They would also provide for notification to a foreign publisher as soon as apparently illegal advertising in one of his issues came to the attention of the Department of National Revenue. Further, the regulations would provide for a reasonable period of time (during which the publisher would no doubt come to Ottawa for discussion and clarification) before a formal finding of illegality was reached and the actual ban imposed.

22. Provision for such regulations seems to be necessary because legal provision for an outright ban, without elasticity, could not be administered without causing serious resentment both in Canada and abroad. Periodicals, being by nature “perishable” as far as the reader is concerned, cannot be held up at customs’ ports while local appraisers read all the advertisements and form judgements whether or not their advertising content conforms with the detailed provisions of the proposed law. Canadian subscribers, as well as foreign publishers, would be up in arms. The major U.S. publishers will undoubtedly attempt, once the law is enacted, to conform to it; the full weight of the ban should not be imposed because of accidental, temporary or sporadic infringement.

Advertising Circulars.

23. So much for certain imports of periodicals at present coming into Canada under tariff Item 184a. Turning to Item 178, let us consider first the imports of advertising circulars. These at present enter Canada free of duty under the fifth paragraph which reads as follows:

“Advertising and printed matter, whether imported by mail or otherwise, when in individual packages valued at not more than \$1.00 each and when not imported for sale or in a manner designed to evade payment of customs duties, shall be exempt from customs duty when produced in countries entitled to the British Preferential or the Most-Favoured-Nation Tariff.”

24. The Report recommends the complete deletion of this paragraph. If that were done, all imports at present covered by it, and weighing not more than one ounce each, would become dutiable, prepayable by customs duty stamps, at 1 cent (B.P.) or 2 cents (M.F.N.).

25. If the Recommendation were adopted the new duties would affect the following types of circular:

- (i) Circulars promoting Canadian subscriptions to “foreign” publications;
- (ii) Circulars printed abroad but carrying advertising of goods or services to be sold within Canada; and
- (iii) Circulars offering to Canadians goods or services available abroad.

26. There is nothing in the Report which supports any action in relation to class (iii) above, and it is generally desirable that Canadians, whether individuals or businesses, should be aware of goods and services that can be bought abroad. (The goods, if imported into Canada, would of course be subject to the tariff.) Therefore, it is proposed that this paragraph should not be deleted in its entirety.

27. The question remains whether this paragraph permitting free entry should be amended so that it ceases to apply to (i) or (ii) or both. The Report argues strongly in favour of some protection for Canadian publishers against the intensive circulation-wars that are so frequently waged by big U.S. publishing houses. The amendment relating to (i) above would be defensible on these grounds, and it fits in with an attempt to give support to Canadian magazines.

28. The amendment relating to item (ii), on the other hand, does not relate to magazines; it flows from the general philosophy that Canadian advertising ought, in general, to be available to support Canadian media. This argument is not too convincing in this particular case. If a tariff is applied, and it becomes too expensive to print circulars in the United States, the circulars will probably be printed in Canada. This gives protection to the Canadian printing trades, but does not in any direct way support “media of communication in Canada.” Accordingly, the argument for amendment relating to (ii) seems far less strong than that relating to (i).

29. If either or both amendments were to be introduced the wording of the fifth paragraph of Item 178 would be changed by adding either or both of the groups of words underlined below and identified by the relevant numerals:

Advertising and printed matter, (ii) other than printed matter specially designed to promote the sale of goods or services by any person in Canada or (i) designed to promote the sale of periodicals, whether imported by mail or otherwise....

29A. Department of National Revenue (Taxation) are examining the administrative problems involved in amending the fifth paragraph of Item 178 in either or both the ways suggested. It may well be that they will find it administratively impracticable to split the paragraph. In that case, the Government would be faced by a straight choice between retaining or deleting the whole paragraph. However, for the time being it is assumed that the paragraph can be split.

Catalogues

30. The Report also contains a recommendation:

“That Catalogues entering Canada from abroad be subject to the same taxes and duties as other printed advertising matter.”

The purpose of this recommendation is not clear. It can be interpreted simply as an exhortation that National Revenue should enforce the law more rigorously. It may be that catalogues are improperly entering the country under the fifth paragraph of Item 178 (quoted above, with possible amendments) rather than under the much more limiting phraseology of the fourth paragraph which reads as follows:

“Bona fide trade catalogues and price lists not specially designed to advertise the scale of goods by any person in Canada, when sent into Canada in single copies addressed to merchants therein, and not exceeding one copy to any merchant for his own use, but not for distribution, shall be exempt from customs duty under all Tariffs.”

31. If the scope of the fifth paragraph of 178 were to be narrowed by amendments of the type proposed in the preceding section of this memorandum, it might serve as less of a loophole for catalogues. Apart from this, no action is recommended in relation to catalogues or seems to be advisable. The Commission’s recommendation seems to be largely, if not entirely, of a commercial nature and has little if anything to do with support of Canadian communications media.

Commercial Obligations – The GATT

32. The Tariff items under which magazines (184a), advertising circulars (178, final paragraph), and catalogues (178 penultimate paragraph), enter Canada are bound under the GATT. Further, the GATT specifically forbids the imposition of any new prohibitions on imports, e.g. any new additions to Schedule C of the Canadian Customs Tariff. Accordingly, if the Government decides to adopt the recommendations of the Commission in this field it will be necessary to consider how to square our action with our commercial obligations.

33. Serious consideration has been given to this matter and it is suggested that, if the Government decides to adopt the tariff recommendations, it should take the stand that the purpose of its action is not commercial but is designed to support and protect that essential part of the national life or national identity which depends upon “communications” in the form of Canadian magazines. To cover such action the Government should propose, not a waiver in GATT because this has been used in the past generally for commercial purposes, but rather an appropriate amendment to the Articles of Agreement.

34. The proposed amendment would constitute an addition to the items enumerated in Article XX. This item provides for “General Exceptions” to the trade rules laid down in other articles. The exceptions include measures “necessary to protect public morals ... human, animal or plant life or health ... importation or exportation of gold or silver ... relating to the products of prison labour ... imposed for the protection of national treasures of artistic, historic, or archaeological value ...,” etc.

35. We must assume that the United States will object to any action that infringes or impairs our existing obligations. How far they will go in opposing us bilaterally and in GATT remains to be seen. However, it would be unwise to underestimate the very strong pressures that the United States’ magazine industry can generate at short notice, both in Washington and also in Canada. Many Canadian advertising agencies are branches of U.S. firms.

36. The United States would, no doubt, take the line Canada is bound to renegotiate the Tariff items which are being affected by our actions. This raises the question whether we could, if we so desired, offer “compensation.” Our import statistics do not separate imports of magazines from imports of newspapers; the recorded total runs about \$28 million annually of

which virtually all comes from the United States and the great bulk must consist of magazines. We do not know what proportion of these imported magazines carry “Canadian” advertising. However, a substantial part of these imports would continue. Magazines that do not carry “Canadian” advertising would not be affected; magazines that do at present carry such advertising would cease to do so and no doubt their circulation in Canada would be reduced over a period of time. But *Time* would continue to sell in Canada without its edition that carries Canadian advertising, and *Saturday Evening Post* would continue to sell without its “split runs” designed for Canada. Thus, it might be argued that this tariff item is very little impaired; but this is not the way it will look to the U.S. publishers or to the U.S. Government.

37. As for the circulars imported under paragraph 5 of Item 178, we believe that the bulk of them are sales literature for U.S. magazines. But we do not really know anything about their value.

38. The conclusion is that the “compensation” which the U.S. would demand would be far more than we could pay (unless the Government were willing to make tariff cuts that would really hurt other Canadian industries). How far the U.S. authorities would be willing to go in accepting the proposed amendment to Article XX as “cover” remains to be seen; but they will certainly be under the strongest pressure from their powerful magazine publishers to make things difficult for us.

Concluding Remarks

39. The decision whether or not the Government should, broadly speaking, support the recommendations of the O’Leary Commission is a political one in the widest sense of that word. The Commission argues that the matters with which it deals are close to the heart of Canadian national life. It establishes, beyond reasonable doubt, that the continuation of genuinely Canadian magazines is in jeopardy, primarily although not entirely because of “unfair” competition. It makes a case, that most Canadian readers will find compelling, for the part which Canadian magazines can and should play, politically and culturally, in the development and strengthening of our national identity. Finally, the Commission produces a most persuasive rationale for Government measures relating to private expenditures on advertising, i.e. that any country’s media of communication must depend, for their life-blood, on that country’s advertising expenditures, hence it is not only justifiable it is essential in the national interest to prevent any large-scale outflow of advertising expenditures into the support of the communications-media of other countries.

40. On the other hand, the Government will no doubt want to consider very seriously whether “the game is worth the candle.” While the Commission argues most persuasively that the Government should follow a certain path, it points out virtually none of the difficulties and pitfalls. For, in effect, the Government is invited to take fiscal measures that would:

(a) Put an end to the “Canadian” editions of *Reader’s Digest* (in English and French), *Time*, and several other U.S. magazines. This will involve the closing down of the printing and publishing operations of *Reader’s Digest* in Montreal.

(b) the impression will inevitably (perhaps deliberately) be created that the Government is going to prevent Canadian readers from obtaining these magazines; (actually, it is only their “Canadian” editions that would be affected, and Canadian readers will continue to have access to the ordinary U.S. editions – and, presumably, a French-language edition of *Reader’s Digest*).

(c) The Government will also be taking action to interfere with and re-arrange the advertising programmes of the many Canadian advertisers who now make use of what the Commission calls “foreign” magazines. Neither the Canadian advertisers nor their advertising agencies will take kindly to this sort of Government intervention.

(d) Looking abroad (to the United States), all magazine publishers that at present carry, in one form or another, any advertising that is “primarily (or principally)” directed at the Canadian market, will also be affected by the Canadian Government action. A survey of magazine imports from U.S.A. last March indicates that some 50 of them, with Canadian circulations of more than 20,000, carried at least one Canadian-directed advertisement or insert, and some 75 of them with smaller Canadian circulations carried such advertisements.

It is surely an understatement to say that the whole advertising community, in the United States as well as Canada, will view the proposed fiscal measures with considerable coolness. Moreover, while the arguments and recommendations of the Commission will commend themselves to many Canadians, they will unquestionably be misunderstood in the United States; in some quarters they will be deliberately perverted and misrepresented and, even in quarters where they are understood, that understanding may lack full conviction. Certainly it will be charged that this is only one more evidence of alleged Canadian protectionism and isolationism. The Government may expect prompt and strong representations from the U.S. Government.

41. Another issue on which the Government will have to judge, is whether, having asked for and obtained the O’Leary Report, it would be practicable or acceptable for the Government to do little or nothing about it.

42. Another question that might arise, in connection with the Commission’s Report is whether it was necessary, indeed wise, to propose the attainment of its highly desirable national objectives – the health and vigour of Canadian magazines – by means of financial or fiscal devices. For example, if special Canadian editions are to be stopped, would it not be preferable to try to accomplish this by direct legislation (adapted, of course, to take account of constitutional limitations) rather than accomplish it by an income tax device which makes them unprofitable in Canada and a tariff device that prevents importation? This is not really a financial matter and it is questionable whether a budget is an appropriate vehicle for its presentation to Parliament and the public.

43. It may also be asked whether action on the main recommendations of the Report could or should be delayed. One possible reason for delay arises from the fact, explained above, that the main argument of the Report (about preventing advertising expenditures from flowing abroad) is not relevant to the magazine field only; it affects radio and television also. It would certainly not seem prudent to introduce legislation regarding advertising in the radio and television field without careful consideration, and perhaps some sort of enquiry; yet to legislate for magazines alone would seem to be less than adequate, particularly when it is recognized that certain Canadian advertisers who now find U.S. magazines to be convenient and effective vehicles, might well, if they were cut off from these, decide to advertise on U.S. television rather than in Canadian magazines.

44. This year’s budget is of an unusual character and will have widespread and important economic effects. Both the public reception of it and the beneficial results which may be expected to flow from it will depend in large measure upon the publicity obtained at the time and during succeeding weeks. It would be quite unfortunate if the press, radio, television and the periodicals were to be preoccupied with their own interests in measures affecting advertising revenues rather than with the measures which will be at the heart of the budget.

45. If action were postponed regarding the main recommendations affecting magazines, would implementation be easier or more difficult next year? The position of Canadian magazines would not be likely to deteriorate seriously in the meanwhile; the fact that the Report was under consideration would no doubt deter any U.S. publisher who was considering any major incursion into the Canadian market. However, the intervening period would be one in which

Canadian and U.S. magazine publishers and groups in the advertising community, would be jockeying for position and bringing to bear on the Government all the various pressures that they could mobilize. It is predictable that the editorial content of the magazines (not to mention other publications) would be affected during the period of uncertainty.

46. If the Government does decide to take action on the basis of the Report then it would seem to follow that it should accept the two main recommendations of the Report (adjusted to administrative requirements) and such other recommendations as are found on investigation to be practicable.

47. It is recommended that any action in the fiscal field should, at this time, be limited to those tax and tariff measures that relate directly to periodicals, along the lines indicated above. This would exclude the extension of the income tax provision to affect television advertising, etc. It would also confine the amendment of Tariff Item 178, if administratively practicable, to that relating to magazines, excluding circulars of other types and also excluding catalogues.

48. In addition, of course, the Government will no doubt consider the Recommendations in fields other than fiscal. Particular attention will need to be paid to the postal recommendations and also to the recommendation that "use of a combined rate should be prohibited by an amendment to the Combines Investigation Act." The latter is a recommendation that is intended to give direct aid and comfort to certain Canadian publishers of French language magazines. It is, however, aimed directly against the practices of publishing houses that produce similar periodicals in French as well as English: the new French-language publications of MacLean-Hunter, and also *Sélection du Reader's Digest* (if the latter were to survive the fiscal measures proposed elsewhere in the Report).

49. The recommendations of the Commission pertain to three "operating" Departments, namely, the Post Office, National Revenue (Taxation) and National Revenue (Customs and Excise). If these recommendations are embodied in legislation it appears quite possible that the original purposes might become changed and distorted in the course of a few years. If the Government decides to implement the proposals, therefore, it might be sensible to consider whether to create a central direction for the continuing programme under an appropriate Minister and including one or more "policy" Departments.

[DONALD FLEMING]

408.

D.M.F./Vol. 128

*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], June 16, 1961

REPORT OF THE ROYAL COMMISSION ON PUBLICATIONS

Mr. Merchant, the United States Ambassador, called on me this afternoon concerning this report. He indicated that he was not calling as a result of any formal instructions from Washington, but had decided that he should make the call on his own initiative in view of the concern expressed by those who had been able to make a preliminary examination of the report in the State Department and at the Embassy here.

2. Ambassador Merchant stated that, on a first examination, it appeared that the consequences of the recommendations in the Royal Commission's report could be very serious for at least two substantial publications in which the United States was interested. He expressed the hope,

therefore, that, before any action is taken on the recommendations, some time will be allowed to elapse to enable the United States authorities to study the report more thoroughly. He also hoped that any action would be delayed long enough to enable the United States to consult with, and explain their views to, the Canadian Government on any points of legitimate concern to the United States authorities.

3. I told Ambassador Merchant that it was not, of course, possible for me to comment on the nature or timing of any action which the Government might decide to take. I promised, however, that his remarks would be brought to your notice and to the notice of the Minister of Finance.

N.A. ROBERTSON

409.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], June 19, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Agriculture (Mr. Alvin Hamilton),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Secretary of State (Mr. Dorion),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
The Minister without Portfolio (Mr. Halpenny).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

THE BUDGET; REPORT OF ROYAL COMMISSION ON PUBLICATIONS
(Previous reference June 5)

19. *The Prime Minister* said that Ministers among themselves had reviewed the budget proposals of the Minister of Finance and had reached substantial agreement, but that a question arising from the Report of the Royal Commission on Publications should be further discussed at this time.

Some had said that the *Reader's Digest* in Canada would be injured if the government should adopt the Commission's recommendation that advertising expenditures in foreign periodicals be disallowed as deductions from income tax. On the other hand, the *Reader's Digest* had been established in Canada in 1943. Over the years the company had paid very large dividends. At this time the magazine itself represented 65 per cent of the company's

business, the remainder coming from books and records. These percentages would probably be reversed within a year. The Montreal branch plant of the *Digest* imported its editorial matter without paying duty, and was competing inequitably with Canadian periodicals.

In 1956, the former government had imposed a tax on advertising in foreign publications in Canada. The *Reader's Digest* and *Time* magazine had thereupon raised their advertising rates, and therefore the effect of the tax had been that foreign publications received an increased share of the Canadian advertising dollar.

The Report of the Royal Commission showed that the printing and publishing of magazines in Canada received less protection from the government than the corresponding publishing business of most other countries. The government would place itself in a difficult position if it should make a special law for the benefit of one company.

20. *During the discussion* the following points were raised:

(a) The government had stated publicly that it would give a fair deal to foreign investors in Canada if they behaved like good citizens. The *Reader's Digest* had spent about \$30 million in Canada for wages, materials and other items. It had been a good company. A private person could become a Canadian citizen in five years, and this company had been operating in Canada for eighteen years. The company had several Canadian directors. If it should be treated in the same way as companies that made no effort to be good citizens, foreign investors in general might conclude that they would not have enough security to operate on a normal business basis in Canada.

(b) The report of the Royal Commission stated that Canadian periodicals should receive a fair share of Canadian advertising, but the recommendation on income tax might have the effect of giving them almost all of the Canadian advertising placed in magazines. *Maclean Hunter* publications already had 46 per cent of the domestic market, and acceptance of the Commission's proposals might further strengthen that company's dominant position as against smaller Canadian magazines.

(c) If the government should change the income tax position of advertisers in the *Reader's Digest*, as proposed by the Commission, such advertisers would criticize the government for adversely influencing their business decisions. Many of the one million readers of the *Digest* would also criticize the government. In addition, the French edition of the *Digest* might be discontinued as a result.

(d) The Commission's recommendation would likely have the effect of diverting the funds of Canadian advertisers away from the Canadian editions of U.S. magazines to television, radio and billboards, and the Canadian magazines might gain only a small share.

(e) A compromise solution might be to provide that the advertising expenditures in "foreign periodicals" exceeding 15 per cent of expenditures in all periodicals printed in Canada would be disallowed as a deduction from income for tax purposes.

(f) Much of the newspaper criticism of the Royal Commission's Report emanated from persons who had formerly been closely associated with *Time* or the *Reader's Digest*, and whose views were therefore not to be regarded as objective.

(g) Some years ago, the *Reader's Digest* had been published without advertising material, but this would probably be financially impossible now because of the higher costs of production. Acceptance of the Commission's proposal would probably not put the *Digest* out of business in Canada. It was noted that the Company printed some of its U.S. edition in Montreal because costs were lower in this country.

(h) The Report of the Royal Commission contained a long list of defunct Canadian periodicals, thus providing tangible evidence of the unfairness of present conditions.

(i) At this time it would not be physically possible to amend the Budget speech and resolution as some had proposed, and therefore the real choice was between proceeding on the basis of the Commission's recommendation or deleting the subject from the Budget.

21. *The Cabinet* agreed that no change should be made at this time in the Budget speech or resolutions on Canadian and foreign periodicals.

R.B. BRYCE
Secretary of the Cabinet

410.

D.M.F./Vol. 102

*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], June 19, 1961

ROYAL COMMISSION REPORT ON PUBLICATIONS

Supplementing the oral remarks made by the U.S. Ambassador on Friday, the United States Embassy has now formally submitted the attached note. The note expresses the hope of the United States Government that the Canadian Government will delay the introduction of "... legislation or action until the United States Government has had an opportunity to present its views to the Canadian Government on the Commission's recommendations at greater length than is now possible.

2. In submitting this note, the Embassy indicated that it might become necessary for the United States to publish the text.

N.A. ROBERTSON

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'ambassade des États-Unis
Note by Embassy of United States*

NOTE NO. 614

Ottawa, June 19, 1961

The Embassy of the United States of America presents its compliments to the Department of External Affairs and has the honor to state that the Government of the United States has taken note of the recommendations of the Royal Commission on Publications. Among these recommendations are two which would clearly affect American magazine publishing interests. The first of these would alter allowable deductions from income tax of expenses for advertising directed to the Canadian market in a foreign periodical and the second would exclude periodicals containing domestic advertising from entry into Canada. In view of the United States interest, the United States Government would hope that, prior to any action by the Canadian Government to implement the Commission's recommendations, by legislation or otherwise, the United States Government would be given an opportunity to present its considered views on these recommendations. More particularly, if the Canadian Government is now planning to include any proposed legislation or other action to implement the Commission's recommendations in the forthcoming budget to be presented to Parliament on June 20, it would be difficult for such consultation to take place.

The United States Government hopes, therefore, that the Canadian Government will delay the introduction of such legislation or action until the United States Government has had an opportunity to present its views to the Canadian Government on the Commission's recommendations at greater length than is now possible.

411.

D.M.F./Vol. 128

*Note du sous-ministre adjoint du ministère des Finances
pour le sous-ministre des Finances*

*Memorandum by Assistant Deputy Minister, Department of Finance,
to Deputy Minister of Finance*

[Ottawa], August 4, 1961

O'LEARY REPORT – *READER'S DIGEST AND TIME*

Yesterday the Minister received visits from *Reader's Digest* (Mr. Zimmerman and Mr. Davey) and, later, from *Time* (Mr. Laybourne and Mr. Brad Gundy). The most interesting point that emerged from these two visits – which, I understand, were arranged quite separately – was that neither *Reader's Digest* nor *Time* said that they would take immediate steps to shut up shop if the two main recommendations of the O'Leary Report were implemented, i.e. the recommendation regarding income tax deduction and the recommendation regarding imports of magazines carrying Canadian-directed advertising.

On the other hand it is also important to record that each of them expressed very grave doubts indeed about their ability to continue to operate under the terms of the Report. What they said was, in effect, that they would continue to operate on an experimental basis for a limited period of time to see how things turn out; their expectation was that they would find themselves forced to cease operations.

The representatives of *Reader's Digest* had various possible alternatives in mind. First, they might continue to publish in Canada as at present hoping that the new tax arrangements would not prove lethal. Second, they might stop printing operations in Canada but import and sell the U.S. edition of their magazine in Canada. (They might also import and sell, in French-speaking Canada, their edition published in France although a preliminary examination suggested that the expense would be prohibitive.) They suggested that the price to the Canadian subscriber would have to be substantially increased to make up for the loss of Canadian advertising revenue. Third, they might print in Canada without carrying advertising but raise the price to the Canadian subscriber. Preliminary surveys, however, suggested that if they raised their prices substantially they might expect to lose a very large proportion of their subscriptions.

Any loss of subscriptions to *Reader's Digest* in Canada would cut into their revenues from their supplementary operations – the publication of book digests and the sale of records. Actually, these activities provide about fifty per cent of the revenues and of the profits of their Canadian operation but they were based in each case on the *Reader's Digest* mailing list. A reduction in this mailing list would reduce profitability from these subsidiary operations.

In the course of their discussion the *Digest* representatives referred to the old “magazine tax.” The Minister took the opportunity to tell Mr. Zimmerman how very upset he had been by being subpoenaed to appear in person in Montreal in connection with the Government's action against *Reader's Digest* for non-payment of the taxes. The Judge, said the Minister, had considered it outrageous that the Minister should be subpoenaed and he himself warmly agreed. The Minister said that in his discussions with representatives of *Reader's Digest* before the tax was repealed, he had understood (although he had no proof of this) that if the tax were

repealed, *Reader's Digest* would pay the money due and the case would be dropped. Mr. Zimmerman was clearly thrown off-balance by these comments. He said he had not knowledge of any such understanding with the Minister which would have taken place before he came to *Reader's Digest*. He undertook to look into it.

Mr. Zimmerman occupied most of the discussion with the Minister in going through a brief dated August 3. He left one copy with the Minister and another copy is attached.

Mr. Laybourne, speaking for *Time*, said that they were proceeding with their arrangements to print in Canada. Last month they had to make a decision one way or the other and they decided, despite the risks involved, to proceed. They hoped that the Government would not consider this "an arrogant act." The Minister assured them that their action had not been taken in this sense.

Mr. Laybourne went on to say that they were also proceeding with their plans to transfer to Canada the editing of the Canadian section of the Canadian edition. "About twelve people" would be "moved into Montreal" soon after printing operations began there. The Minister questioned him about the nationality of the twelve persons and Mr. Laybourne said that no decisions had been reached; some of the twelve might be Canadians already in the employment of *Time* in Canada.

As a result of recent changes in the Canadian and United States mailing charges, *Time* had now begun to mail in Canada, putting the Luce publications together they would be spending something like \$1 million.

If, when printing and other operations had started in Canada, the tax proposals of the O'Leary Report were introduced, *Time* would continue to operate. They would certainly anticipate losses for two or three years but might find ways of breaking even after that period by adjustments in circulation, editorial content, elimination of colour printing, etc. However, according to their present appraisal they doubted their ability to continue indefinitely under the proposed tax arrangements.

A.F.W. PLUMPTRE

412.

D.M.F./Vol. 128

Note du sous-ministre adjoint du ministère des Finances

Memorandum by Assistant Deputy Minister, Department of Finance

[Ottawa], August 9, 1961

O'LEARY REPORT – PERIODICAL PRESS ASSOCIATION

Yesterday, Mr. Laurin of Maclean-Hunter, who is this year President of the Periodical Press Association, called on Mr. Fleming to discuss the O'Leary Report and its disposition.

He emphasized that the decline in the position of Canadian magazines was continuing and was now accentuated by the uncertainties created as a result of publication of the O'Leary Report without any indication of Government action. (He admitted that magazines all over this continent were in difficulties but emphasized that the difficulties for Canadian magazines were intensified.) In this connection, he mentioned that Maclean-Hunter was now estimating losses on their magazine operation this year of well over \$1 million. *Canadian Homes* was in the worst position; it had already showed losses of \$388,000 this year. Maclean-Hunter had decided to carry on with *Canadian Homes* on a temporary basis but would have to reach a decision, one way or the other, in October. At present, due to uncertainties, Canadian advertisers were beginning to shift away from magazines and into other media. Losses of this sort might take many years to regain.

The Minister asked Mr. Laurin what results he would expect if the main recommendations of the O'Leary Commission were put into effect. Mr. Laurin replied that he anticipated no sudden upturn in the revenues of Canadian magazines. It would take perhaps three or four years to readjust fully to the new situation. However, he would expect *Reader's Digest* and *Time* to go out of business as far as Canadian advertising was concerned. Of the \$9 to \$10 million worth of advertising now placed with them, he would anticipate \$2 or \$3 million shifting to Canadian magazines. The rest would shift very largely to other Canadian media, although some might go to U.S. television stations just across the border.

Mr. Laurin emphasized his strong support for the general principle that a nation's advertising should be available for the support of that nation's media of communication. This principle applied to magazines but also to other media such as television. The Minister said that this point had been noted but questioned whether it would be possible to apply the principle to media other than magazines without allowing those media the possibility to express their opinions, for example, by setting up another Royal Commission. Mr. Laurin recognized this point. He referred to a coming meeting of the Canadian Association of Radio and Television Broadcasters and indicated that he planned to be in touch with the President of the Association before the meeting.

The Minister invited Mr. Laurin to give his opinions on the two main recommendations of the O'Leary Report, indicating that in his view one was mainly designed to deal with *Time* and the other with *Reader's Digest*. However, *Time* was now moving to print in Canada so it might not be affected by the recommendation designed to deal with it.

Mr. Laurin replied that the recommendation proposing a ban on imports of magazines with Canadian directed advertising was, as he understood it, designed to deal with a wide range of publications. It would deal not only with *Time*, as long as it continued to print abroad, but also with split runs and other types of operation. It would affect not only U.S. consumer magazines entering Canada but also, and of increasing importance, U.S. trade papers which were increasingly carrying Canadian directed advertising. He recognized that the proposed ban might involve the Government in international difficulties although it was the "cleanest way" of dealing with the situation. As an alternative he suggested the imposition on imported magazines carrying Canadian directed advertising of the tariff rates applicable to advertising (Item 178) with the necessary renegotiations with other countries affected.

Turning to the income tax proposal, Mr. Laurin said that the Periodical Press Association had neither proposed nor opposed this particular suggestion as a means of achieving the end which they regarded as highly desirable. The only effective alternative they could think of would be too close to the old "magazine tax" to be really effective. He recognized that *Reader's Digest*, because they had been operating so long in Canada, might claim that they were being dealt with very unjustly. He commented on various misleading implications in the case put forward by *Reader's Digest* and emphasized that their investment in Canada had been built up almost entirely from profits made in Canada on the basis of "unfair" competition. However, if the Government felt that the recommendations of the O'Leary Report were too harsh in respect of *Time*, it would surely be possible to work out some special sort of arrangement which would allow that Company to continue its operations although not on the unfair basis existing up to the present.

The Minister invited Mr. Laurin to comment on the other recommendations. He said that the postal recommendations were sound and should be put into effect. The recommendation regarding importation of illegal advertising (food and drug) were desirable but quite impracticable. The proposal that advertising should be identified as such was the normal practice with all magazines and the problem involved was not serious. The proposals regarding imports of circulars would give very desirable relief to the Canadian printing trades. On the

other hand, he warned that the U.S. printers, who were very well organized, would be up in arms. He was *not* disposed to consider that the implementation of this recommendation would give much relief in respect of the overflow circulation of U.S. magazines into Canada. If the circulars could not be imported from the U.S., he believed that they would and could be printed and mailed in Canada and with no very great increase in cost. In this connection, he mentioned that the printing plates used in the U.S. would no doubt be brought into and used in this country. (In the light of Mr. Laurin's remarks, we should look again carefully at the action we had proposed in this field if the Government decided to implement the O'Leary Report.)

In conclusion, Mr. Laurin emphasized the urgent necessity, from the point of view of magazine publishers, of a Government announcement of intention regarding the O'Leary recommendations. Early action was also desirable and he wondered whether it was absolutely necessary for action to await the next budget, which probably would not be brought down before next March or April. Mr. Fleming replied that the more important proposals of the O'Leary Report would normally require a budget. It was conceivable that they might be handled on a different basis if Parliament were amenable but, particularly with election rumours in the air, it was not at all clear that Parliament would be amenable. He did, however, recognize the difficulties for Canadian magazines of going through a period of eight or nine months without an indication of Government policy in this field. He commented that the activities of some magazines were not such as to make the Government very sympathetic.

Mr. Laurin said that the Periodical Press Association was compiling a summary of editorial opinion on the O'Leary proposals. This opinion, he claimed, was two to one in favour. The material would be supplied to the Minister as soon as it was available. In addition, the magazines would be running a two page advertisement in September which would describe what the O'Leary recommendations really were and would clear up certain misconceptions which had arisen or which had been promoted in various quarters. He asked whether there was anything further that his Association could do to assist the Minister at this juncture. The Minister had no suggestions to make at this time. He and other Ministers would be interested to see the comments of the P.P.A. on the arguments put forward by *Time* and *Digest* and their summary of Canadian editorial opinion.

A.F.W. PLUMPTRE

413.

D.M.F./Vol. 102

Note de l'ambassade des États-Unis

Note by Embassy of United States

NOTE No. 27

Ottawa, August 4, 1961

The Embassy of the United States of America refers to the report of the Royal Commission on Publications, which was made public on June 15, 1961. The Royal Commission recommends in its report that the Government of Canada take certain actions, by legislation or otherwise, which would affect foreign periodicals. The United States Government has examined the Commission's report and believes that the recommendations of the Commission regarding foreign periodicals would clearly have prejudicial effects on the interests of the United States. For this reason, the United States Government wishes to present to the Government of Canada the considered views of the United States Government on the specific recommendations of the Royal Commission on Publications which affect foreign periodicals. The United States Government is not herein presenting its views on certain other broader aspects of these recommendations which are also considered undesirable.

A. The following are the views of the United States Government on certain of the recommendations of the Royal Commission on the general subject of advertising in foreign periodicals.

The Commission recommends:

That the deduction from Canadian income tax by a tax payer of expenditures incurred for advertising directed at the Canadian market in a foreign periodical wherever printed be disallowed.

Implementation of this recommendation by the Government of Canada would mean, in effect, subjecting income spent on expenditures incurred for advertising directed at the Canadian market in a foreign periodical to the normal corporate tax rate of approximately fifty per cent. This proposal is thus of the same character as the twenty per cent tax previously imposed by the Canadian Government on the advertising revenues of special editions of non-Canadian magazines circulated in Canada,⁵¹ and which was withdrawn by the Canadian Government on the officially stated grounds that it was "unjust and ineffective."

The United States Government regrets to note that, despite the representations of the United States on this twenty per cent tax imposed previously and despite what was conceded to have been the ineffectiveness of this previous tax in assisting Canadian periodicals, the Royal Commission on Publications has revived a concept of discriminatory taxation, which had been previously proved in application to be ineffective for its stated purpose.

The United States Government also believes that this recommendation of the Commission is inconsistent with the basic principle enunciated in Article III of the General Agreement on Tariffs and Trade, that internal taxes should not be applied so as to afford protection to domestic production. This recommendation of the Royal Commission is avowedly intended to protect Canadian periodicals from the competition of special editions of non-Canadian magazines.

The United States Government would regret to see the Canadian Government take a step which would lead to a weakening of respect for one of the basic principles enunciated in the General Agreement and, consequently, of respect for the General Agreement itself.

The Commission also recommends:

That the entry into Canada from abroad of a periodical containing domestic advertising be excluded under Schedule 'C' of the Customs Tariff. "Domestic advertising" shall include postcards, coupons and inserts contained in a periodical and indicating the availability of a product or service in Canada.

Although the wording of the action proposed in this recommendation of the Commission would ban entry of all foreign periodicals meeting the criteria of the recommendation, it is clear both from the report of the Royal Commission and from study of the facts regarding entry into Canada of foreign periodicals containing domestic advertising that such periodicals originating in the United States would be those most seriously affected. It is also clear from the report of the Royal Commission that this recommendation of the Commission is avowedly intended to have this effect.

The United States Government considers, therefore, that acceptance by the Canadian Government of this recommendation would impair the benefits which the United States derived from the binding in Canadian Customs Tariff Item 184 A of a duty-free entry into Canada of foreign periodical publications, which binding was freely negotiated with the United States in negotiations held pursuant to the General Agreement on Tariffs and Trade. Therefore,

⁵¹ Voir Volume 23, Chapitre premier, Section 3(b).
See Volume 23, Chapter I, Section 3(b).

if the Canadian Government were to accept and implement this recommendation of the Commission, as presently worded, the United States Government would expect the Canadian Government to provide the United States with satisfactory compensation under the appropriate procedures of the General Agreement on Tariffs and Trade for the effective impairment of these benefits.

B. The following are the views of the United States Government on the recommendations of the Royal Commission on the general subject of circulation of foreign periodicals.

The general effect of the recommendations of the Royal Commission regarding the circulation of foreign periodicals would be to raise the costs and increase the difficulties of exportation of foreign periodicals to Canada. Since periodicals published in the United States would be those most seriously affected by these recommendations, the commercial interests of the United States would be damaged if these recommendations were accepted by the Canadian Government. In such event, United States commercial interests would be damaged directly by the reduction in exports of United States periodicals below what they would have been in the absence of such action and also by the increased costs of the remaining export of United States periodicals to Canada, and indirectly by the reduced access of the magazine-reading public of Canada to advertisements of products available from the United States.

The United States Government considers that acceptance by the Canadian Government of the recommendation with respect to the fifth paragraph of Canadian Customs Tariff Item 178 concerning the Customs treatment of promotional advertising would lead to the same results as those discussed above with respect to Canadian Customs Tariff Item 184 A.

C. The following are the general views of the United States Government on the recommendations of the Royal Commission which would affect foreign periodicals.

The United States Government believes that these recommendations do not accord with past efforts of both Governments to encourage the development of mutually beneficial commercial relations between the two nations and that acceptance of these recommendations by the Canadian Government would be likely to hinder efforts to promote the most desirable policies in the future.

Quite apart from the commercial considerations involved, it is in the interest of both countries that there should be as free a flow of information as possible among the nations of the free world, including many nations where it is of paramount importance that the aims, ideals and activities of Canada, the United States and their allies should be better known. If the recommendations of the Royal Commission on Publications regarding foreign periodicals which have been specifically cited earlier in this communication were accepted and implemented by the Government of Canada, repetitions of such action in other parts of the world could severely restrict one of the most effective methods by which such information is spread.

It is the hope of the Government of the United States that the Canadian Government, acting in the light of the general and specific views of the United States Government on the recommendations of the Royal Commission which would affect foreign periodicals, and in consideration of the potential effects of acceptance and implementation by the Canadian Government of these recommendations, will avoid any action in regard to these recommendations which would be inconsistent with the General Agreement on Tariffs and Trade, which might damage mutually beneficial commercial relations between the United States and Canada, which might prove a precedent harmful to the encouragement of policies favored by both nations, and which would prejudice the interests of both nations in the prevention of undesirable restrictions to the free flow of information.

414.

D.M.F./Vol. 128

*Le ministre des Finances
au premier ministre
Minister of Finance
to Prime Minister*

PERSONAL AND CONFIDENTIAL.

Ottawa, August 11, 1961

My dear Prime Minister:

In recent days I have met with representatives of the Periodical Press Association, *Reader's Digest*, and *Time* to discuss the O'Leary Report. Their representations were almost entirely directed towards the "fiscal" proposals of the Report, i.e. those involving taxes and tariffs. By far the most important are the two proposals that expenditure on advertising in "foreign" magazines should not be deductible for tax purposes and that an import ban be placed on magazines carrying advertising directed to the Canadian market.

Some two months ago I sent to you a memorandum entitled "Royal Commission on Publications: Fiscal Proposals;" it had been prepared in this Department and was dated June 7, 1961. The representations that I have recently received throw some additional light on various points in the memorandum and raise, as a matter of urgency, questions as to the position the Government is to take in regard to the main recommendations of the Report and how and when should this position be announced.

Moreover, the U.S. Government has now put forward, in a Note dated August 4, its views on the O'Leary Recommendations. These views are closely in line, in nature and temper, with what was forecast at various points in our Memorandum of June 7, particularly paras 35-38, and para 40.

The following points emerged during the representations to which I have referred:

(a) In the Memorandum of June 7 (para 15 and para 40(a)) I indicated that, if the two main recommendations were implemented, the Canadian editions of *Time* and of *Reader's Digest* (in both languages) would cease publication and that this appeared to be the intention of the Royal Commission. I also indicated that this would involve the closing down of the printing and publishing operations of *Reader's Digest* in Montreal. On these points, the Periodical Press Association appears to be in agreement. As for the representatives of *Reader's Digest* and *Time*, it is important to record that they do *not* forecast immediate cessation of the Canadian editions, if the O'Leary Report is implemented. Instead, they say that they *expect* that they will be forced, after an experimental period of some months or years, to discontinue these editions; meanwhile they would attempt, by various adjustments, to keep going.

(b) The representative of *Time* explained that his firm was proceeding with arrangements to print their Canadian edition in Canada instead of the United States, and to establish a staff of about a dozen persons in Montreal to edit its "Canadian" section. The presses and the staff should be installed by the end of this year. At that time they would cease to be affected by the main tariff recommendation and would instead be affected by the main tax recommendation of the Report.

(c) The representative of the Periodical Press Association emphasized that the main tariff recommendation was designed to prevent, not only the importation of *Time* when printed in the United States, but also many other U.S. periodicals, both "consumer magazines" and "trade papers," carrying Canadian-directed advertising. (See para 40(d) of the Memorandum.)

(d) The representative of the P.P.A. expressed doubts regarding one of the less important recommendations relating to tariffs, i.e. a recommendation which would subject to customs

duties imported circulars which now come in free of duty. He believed that the relief given to Canadian magazines, by means of lessened circulation pressure from foreign magazines, would not be substantial and warned that the U.S. printing trades would object strongly. (Paras 23-29(a) of our Memorandum.)

(e) The point which the representative of the P.P.A. stressed most repeatedly and emphatically was the urgent need of the Canadian magazines for an announcement, and if possible a favourable announcement, of Government policy regarding the two main recommendations of the Report. He said that the publication of the Report without a statement of policy had substantially hurt their situation. Canadian advertisers and advertising agencies, in making their plans this autumn, are confronted by a situation in which they simply do not know what their position will be if they continue, alter or enlarge their advertising in magazines. As a result, there is a growing tendency to avoid magazines and use other media instead. Advertising, once lost by magazines, will be very difficult to recapture.

(f) The representative of P.P.A. strongly supported, on behalf of his Association, the two main recommendations of the Report, although he did not reject the possibility of modifications. In this connection he referred to claims that there ought to be some tempering in the severity of the main tax proposal in order to avoid actually driving out of business an established operation in Canada, i.e. *Reader's Digest*. He also strongly supported the principle on which these and other recommendations were based, i.e. that a nation's advertising expenditures should support its own media of communications and not those of other countries. He pointed out that this applied to television and other media besides magazines, but recognized that it would be difficult to apply it to these other media at least without full hearings such as had been provided by the O'Leary Commission.

Against this background it has in my opinion become imperative that some announcement of Government policy be made as early as possible in the resumed session of Parliament. It may be expedient to concentrate attention on the two main proposals in the Report. There are three possibilities: to reject these proposals and take no action; to accept them substantially in the form proposed (with minor modifications for administrative purposes); or to adopt them in substantially modified form.

Most of the advantages and disadvantages of outright acceptance or rejection are reviewed in our Memorandum of June 7 and do not need to be repeated here.

There appear to be two types of major modification which might be considered, one of substance and the other of form:

(a) *Reader's Digest* has been printed and published in Canada for many years and *Time* is expected to do so shortly. It is for consideration whether some modification or modifications should be introduced into the main tax proposal to take account of their situations and permit them to continue. If general guidance were given by Ministers, officials could be asked to work out detailed proposals.

(b) In paragraph 42 of our Memorandum, the question is raised whether it is desirable to pursue the broad national objectives of the O'Leary Report by means of tax and tariff devices. Are there constitutional means whereby, for example, special Canadian editions could be stopped by direct legislation? It may be that the Commission fully explored such possibilities but, if so, it is not reflected in their Report. This question might be referred to officials, and in particular the Department of Justice, if Ministers considered that it was worthy of investigation.

In conclusion, may I again mention the emphasis laid particularly by the Periodical Press Association on the need for an early announcement of Government policy followed, as soon as practicable, by appropriate legislative action.

Yours sincerely,

DONALD FLEMING

415.

D.M.F./Vol. 102

Note du sous-ministre adjoint du ministère des Finances
Memorandum by Assistant Deputy Minister, Department of Finance

[Ottawa], August 31, 1961

O'LEARY REPORT

Yesterday afternoon Mr. Fleming called a meeting of the Cabinet Committee on the O'Leary Report, attended by Messrs. Nowlan, Hamilton, Walker and Dorion, with himself in the Chair. Messrs. Isbister, Grey Hamilton and myself were also present.

The Committee decided to instruct officials to explore modifications of the two main recommendations of the O'Leary Report sufficient to allow *Reader's Digest* and *Time* to maintain operations in Canada. The view was expressed that such modifications should be the minimum necessary to achieve the purpose. It was recognized that with *Time* as well as *Reader's Digest* being printed and published in Canada, the modifications in question would relate primarily, if not exclusively, to the tax rather than the tariff recommendation.

Officials were also invited to review and make such comments as they thought might be useful regarding any of the other recommendations, including those regarding imports of circulars and "combined rates."

Officials were also invited to explore whether there was any possibility of achieving the main objective of the O'Leary Commission, not by adjustments of taxes or tariffs, but by other more direct legislative means. Since the question of constitutionality would arise, an approach to the Department of Justice would be required.

It was agreed that in pursuing all this work officials ought to make the fullest possible use of work already done by the staff of the Royal Commission and for this purpose the ex-secretary of the Commission, Mr. Michael Pitfield, should be fully consulted.

The Committee emphasized the urgency of this work in view of the impending re-opening of Parliament.⁵²

A.F.W. P[LUMPTRE]

⁵² Note marginale :/Marginal note:
 Noted. D.M. F[leming]

416.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], September 7, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

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REPORT OF CABINET COMMITTEE ON THE O'LEARY REPORT
 (Previous reference August 28)

15. *The Minister of Finance* said that the Cabinet Committee on the O'Leary Report had met almost daily during the past week, and that its final report should soon be available to Ministers. Consideration should be given to the reply to be made on this day to expected questions in the House of Commons on the government's policy in this field.

The Committee had concluded that it would be impossible to adopt any course of action that would be satisfactory to all the interests involved, and that controversy would be inevitable. The Committee would recommend that the government should adopt the Commission's proposal that an embargo be placed on the importation of Canadian editions of foreign magazines. This would create difficulties in G.A.T.T. negotiations, and would be a disappointment to the United States government which had made strong representations to the government of Canada. Such editions should however be produced in Canada.

The other major recommendation of the O'Leary Commission was that advertising expenditures by Canadian taxpayers on Canadian editions of foreign periodicals be disallowed as expenses for income tax purposes. *The Reader's Digest* had asserted that adoption of this recommendation would put them out of business in Canada, but it now appeared that the magazine would still break even in Canada and that the company would receive substantial profits from its other activities in this country. It could be argued, however, that these

Canadian editions printed in Canada were providing employment to Canadians. The Committee would therefore recommend that only a portion of the advertising expenses be disallowed.

In addition, the Committee would recommend removal of the subsidy available to Canadian editions of foreign periodicals under second class postal rates. The second class rate should continue in respect of their editorial matter but the first class rate should apply to their advertising matter. Under present arrangements a copy of the *Reader's Digest* was delivered through the mail for about 4/5 of 1 cent, whereas the cost was about 5 cents. The Committee was recommending that the postal charge should be approximately equal to cost.

An early announcement of government policy was desirable because advertisers were postponing their contracts while awaiting an indication of the government's intentions.

16. *The Cabinet,*

(a) noted the statement of the Minister of Finance on the progress made by the Cabinet Committee on the O'Leary Report;

(b) agreed that further consideration should be given to the government's policy in this field following receipt of the Committee's final report; and,

(c) agreed that Mrs. Fairclough should be added to the Committee.

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417.

PCO

*Note du président du Comité du Cabinet
sur la Commission royale d'enquête sur les publications
pour le Cabinet*

*Memorandum from Chairman, Cabinet Committee
on the Royal Commission on Publications
to Cabinet*

CABINET DOCUMENT NO. 350-61

[Ottawa], September 22, 1961

CONFIDENTIAL

THE REPORT OF THE ROYAL COMMISSION ON
PUBLICATIONS AND SUGGESTIONS THEREFROM

The Royal Commission on Publications established to their satisfaction that serious damage is being done to the Canadian publishing industry by the competition of foreign periodicals and Canadian editions. They concluded that if measures were not taken to correct the situation it would result in the total disappearance of genuine Canadian magazines.

The following is a proposal designed to enable the Canadian publishing industry to continue in business and, ultimately, to expand both existing publications and encourage the introduction of new ones. At the same time it would not necessarily destroy foreign publications which have established themselves in Canada at this date.

First, magazines printed outside Canada which contained advertising placed by Canadian companies and directed to Canadian consumers would not be allowed to enter Canada. Canadian companies engaged in selling abroad would, however, still be perfectly free to place advertising for the promotion of their sales outside Canada in such magazines.

It is felt this first recommendation would be generally acceptable both in Canada and in other countries and would meet with no severe criticism.

In itself it would not be sufficient to meet the problem of Canadian magazines because 40 per cent of the advertising placed in Canadian magazines, and which is urgently required for their support, does not go to genuine Canadian periodicals but to Canadian editions of United States magazines, primarily *Reader's Digest* and *Time*.

Therefore, a second measure is proposed which would make it economically impractical for a publishing house outside Canada to *establish* a Canadian edition of their magazine either in or out of Canada and compete for advertising with genuine Canadian publications.

Again, this second measure, which exempts *Reader's Digest* and *Time* and one or two other small publications already established, would meet with no strong opposition because it merely prevents the future establishment of a certain type of business practice which the Canadian government does not feel it can condone; with the exceptions cited, no one is injured.

Third, to give consideration to the position which certain periodicals (*Reader's Digest* and *Time*, etc.) have already established in Canada, while still offering a measure of assistance to Canadian publications which have been severely hurt by their activities, it is proposed that advertising in such Canadian editions now in existence would be allowed as a deduction for income tax purposes by the companies advertising therein only in the amount of 50 per cent of such expenditures.

If such publications made no downward adjustment in their advertising rates, the effect of such a proposal would be to increase their advertising rates to the advertisers by 33½ per cent. It is unlikely that they would sell much advertising under these circumstances, and therefore it is expected that they will reduce their rates somewhat, thus reducing their profits.

A reasonable estimate would seem to be an adjustment in advertising rates allowing for a net increase to the advertiser in the cost of advertising in these publications of from 15 to 20 per cent. To accomplish this the publications would each have to reduce their profits from their 1959 rate of about \$1 million to about \$300,000 to \$350,000.

Both these actions would be of substantial help to Canadian publications while it would seem that the Canadian editions would still remain profitable enough to remain in business, thus acknowledging their "grandfather rights."

G.C. NOWLAN

418.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], November 2, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),

The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Mr. Waters).

REPORT OF ROYAL COMMISSION ON PUBLICATIONS
 (Previous reference October 30)

3. *The Minister of Finance* reported verbally on the recommendations of the Cabinet Committee on the Report of the Royal Commission on Publications. The Committee favoured dropping the previous proposal on postal rates. Their recommendations, which follow, were within the four corners of the O'Leary Report,

(a) An amendment to the Customs Act to apply an embargo against the entry of periodical publications published abroad which contained advertising directed to the Canadian consumer.

(b) To disallow as a deduction from income for tax purposes all expenditures of Canadian taxpayers incurred for advertising directed at the Canadian market in "foreign periodicals" whether printed in Canada or not unless subject to the exception below.

(c) That this disallowance be 50 per cent in the case of magazines which were printed and published in Canada on a date to be chosen (either the date of the announcement or the date of the Speech from the Throne) and which were edited in Canada within three months of that date.

An announcement on this subject be made now to clarify the government's intentions because advertising contracts were being held up all over the country.

4. *The Minister* proposed that, at the forthcoming session, the necessary amendments be made in the Customs Act and Income Tax Act. The announcement should contain the statement that the situation would be reviewed in a year or two after there had been time for the changes to be given a fair trial.

5. *Mr. Fleming* said that at present, the section in *Time* magazine dealing with Canadian news was written up in New York and sent to Canada for inclusion in the magazine. Under the Committee's proposal this would have to stop within three months. The exception in recommendation (c) was made for the purpose of allowing *Time* and *Reader's Digest*, which had been established in Canada for some time, to survive. The indication of an intention to review the situation would have a restraining effect because no one could be precise now as to how the proposals would affect either advertising revenues or the circulation of *Time* and *Reader's Digest*, or how much it would benefit Canadian periodicals. No one could say whether and how much advertising withdrawn from *Time* and *Reader's Digest* would be given to Canadian T.V. or radio.

6. *During the discussion* the following points were raised,

(a) Although a case could be made for helping *Reader's Digest* to survive, it was difficult to see why an effort should be made to keep *Time* in business in Canada. The two magazines were quite different in nature, and it was felt that *Time* should not receive any preference over such magazines as *Newsweek* or *U.S. News and World Report*.

(b) It was pointed out that it was difficult to devise a formula which would give preference to *Reader's Digest* and exclude *Time*, if the preference was to be established on the high ground of "printed and published in Canada." Others felt that *Time* could be eliminated by a requirement that the periodical must have been published in Canada for ten years. However, this would look like retroactive legislation.

(c) Some were of the view that no announcement should be made of reviewing the legislation in a year or two. This would imply that there was a possibility of changing the legislation, and there would be a tendency to continue pressure to alter it by those not in favour.

(d) Others felt that *Time* would be hostile to the government in any case.

(e) A Note had been received from the U.S. government which criticized the action proposed in the O'Leary Report on the grounds that it did not coincide with the best efforts of the two countries to bring about mutually beneficial commercial relations and was inconsistent with the General Agreement on Tariffs and Trade.

(f) It was explained that G.A.T.T. negotiations would be required to carry out these recommendations and Canada would have to make some concessions. The modifications of the O'Leary Report in favour of *Time* and *Reader's Digest* recommended by the committee would please the U.S. government to some extent. Changes in the law could be put into effect before the G.A.T.T. negotiations.

(g) The suggestion was put forward that the editing required in Canada should cover only material which was not identical to material in the parent magazine.

7. *The Cabinet* noted the report of the Minister of Finance on the findings of the second Cabinet Committee on the Report of the Royal Commission on Publications and agreed to consider them further at a later date.

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SECTION D

PÉTROLE OIL

419.

PCO

*Note du président, comité du Cabinet chargé de la politique sur le pétrole,
pour le Cabinet*

*Memorandum from Chairman, Cabinet Committee on Oil Policy,
to Cabinet*

CABINET DOCUMENT NO. 14-61
SECRET

[Ottawa], January 16, 1961

REPORT OF THE CABINET COMMITTEE ON OIL POLICY

1. The Cabinet Committee on Oil Policy has recently considered the position of the oil industry, having had before it comprehensive memoranda, which included a number of recommendations, from the National Energy Board.

2. The Cabinet will recall that in July, 1959, the Royal Commission on Energy emphasized the importance of maintaining oil production at a rate which would permit a reasonable level of exploration and development and increasing Canadian participation in the industry, and

recommended that consideration of the Montreal pipe line project be postponed until the industry had had an adequate opportunity to establish that it could, by concerted effort, secure adequate outlets in more desirable markets in Canada and in the United States.

3. The National Energy Board has thoroughly reviewed the situation confronting the oil industry in Canada and concurs in the essential recommendations of the Royal Commission but concludes that Government action is required to offset outside pressures on the industry and ensure increased sales of Canadian crude in market areas nearer to the sources of production than Montreal.

4. The oil industry is virtually unanimous in advocating that the Montreal pipe line be postponed until an alternative programme, based on voluntary efforts by the industry but followed, if necessary, by licensing of crude oil and product imports, has been fully tested. The success of such a proposed programme would depend heavily on the attitude of the United States Government to increased Canadian exports. In addition, the co-operation of the producing provinces, in counteracting the outside pressures on the industry, or on specific companies, and in keeping down the cost of oil production in Canada, is integral to the Government's programme.

5. The Committee therefore recommends:

(a) that the Government adopt the policy of fostering the use of Canadian crude in markets which can be reached through established pipe lines, namely, Canadian markets west of the Ottawa Valley and U.S. markets adjacent to the international boundary including the Puget Sound and the St. Paul-Minneapolis and Toledo areas of the Middle West;

(b) that a target level of production of 625,000 barrels a day by June 1961 be set for the industry, such a target to be followed by further six-monthly targets with the expectation that production will rise in 1963 to a level substantially as high as would be attained if the Montreal market were reserved for Canadian crude;

(c) that the Government programme for expanded production of oil be on a voluntary basis but that importers of crude and petroleum products be required to report their imports monthly from January 1, 1961 in order to permit the National Energy Board to continue to assess the situation;

(d) that the Government indicate to the industry that in adopting this policy it is prepared to take all necessary steps, including the proclamation of Section 87 of the National Energy Board Act (which provides for the regulation of imports and exports of oil), to ensure the success of its policy of increasing the level of oil production in Canada, and that it has instructed the National Energy Board to evaluate the contribution of individual companies to the general efforts of the industry, as well as to report periodically on the progress of the industry;

(e) that as soon as practicable and prior to any announcement of policy, consultations be held with the United States; and

(f) that consultations be held with the producing provinces.

GEORGE HEES

420.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], January 19, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Fournier), (Dr. Hodgson).

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OIL POLICY; REPORT OF CABINET COMMITTEE

5. *The Minister of Trade and Commerce* said that the Cabinet Committee on Oil Policy had considered the position of the oil industry, having had before it comprehensive memoranda, including a number of recommendations from the National Energy Board. He recalled that the Royal Commission on Energy had suggested that every effort should be made to ensure that the Canadian crude oil production reach 700,000 barrels per day by the end of 1960. This target had not been reached, the present production figures being 595,000 barrels per day. The Commission, in 1959, had recommended that consideration of the Montreal pipeline project be postponed until the industry had had an adequate opportunity to establish that it could, by concerted efforts, secure adequate outlets in more desirable markets in Canada and the United States. In the opinion of the National Energy Board, government action was required to offset outside pressures on the industry, and to ensure increasing sales of Canadian crude in market areas nearer to the sources of production than Montreal.

The oil industry was virtually unanimous in advocating the postponement of the Montreal pipeline until an alternative programme, based on voluntary efforts by industry but followed, if necessary, by licensing of crude oil and product imports, had been fully tested. The success of such a programme would depend heavily on the attitude of the U.S. government to increased Canadian exports.

The Minister referred to the Cabinet Committee's recommendations in the document which had been circulated (Cab. Doc. 14-61) and noted that a target level of production of 625,000 barrels a day by June 1961 should be set for the industry. Such a target should be followed by further six-monthly targets, with the expectation that production would rise in 1963 to a level (815,000 barrels a day) substantially as high as would be obtained if the Montreal market were reserved for Canadian crude. The industry should be persuaded to expand its production of oil on a voluntary basis, and should be told that, if this did not prove satisfactory, the government would be prepared to take the necessary steps, including the proclamation of Section 87 of the National Energy Board Act (which provides for the regulation of imports and exports of oil), to ensure the success of its policy of increasing the level of oil production in Canada. It was expected that the Board could establish, after three or four months, whether production on a voluntary basis was giving adequate results.

An explanatory memorandum had been circulated (Memorandum, Chairman, Cabinet Committee on Oil, Jan. 16 and attachment, Cab. Doc. 14-61).

6. *Mr. Hees* said that both the industry and the United States should be made to understand that, if under both the voluntary and mandatory systems no progress was made, then the Montreal pipeline would have to be built. It was the only alternative available to increase the production of crude oil.

He referred to the agreements in force between Canada and the United States and noted that both governments had agreed that they would consult should they plan changes in their petroleum trade policies. He considered it important that consultations take place as soon as possible and said that, if Cabinet agreed, he would proceed to Washington on the following Wednesday with the Minister of Finance and officials to discuss with the United States Secretary of the Treasury and the U.S. Secretary of the Interior the proposed Canadian oil programme.

He further noted that it was in the interest of the United States that the Montreal pipeline be not built. Such a pipeline would greatly diminish the Canadian purchase of off-shore crude oil and would force the United States to purchase that much more off-shore oil. It was not certain whether, as a result of the construction of a pipeline, oil could be laid down in Montreal as cheaply as off-shore oil. The National Energy Board were of the opinion that the Montreal refineries were not paying the list prices. Discounts were the regular procedure. The construction of a pipeline might result in lower prices at the oil head in Alberta and higher prices in the Quebec area unless the federal Treasury made up the difference.

7. *During the discussion* the following points were brought out:

(a) The question was whether the course in the Cabinet Committee's report should be followed or whether the government should face the possibility of building a Montreal pipeline. The Canadian Ministers visiting Washington should be in a position, some thought, to indicate to their American counterparts that there were strong pressures within Canada to build the pipeline, and that these pressures would be irresistible unless the objectives of the National Energy Board to increase Canadian production could be attained. Some pointed out that the United States could cut down its imports from Canada if it so desired. The threat of the pipeline proposal should therefore not be over-emphasized.

(b) Some objected to the statement contained in the report of the Cabinet Committee to the effect that the oil industry was virtually unanimous in advocating that the construction of the Montreal pipeline be postponed until an alternative programme had been fully tested. 90 per cent at least of the independent Canadian oil producers wanted the pipeline, whereas the American controlled interests were mostly against it. It seemed that it was just a matter of time before the government would have to agree to the construction of the pipeline. The independent oil producers claimed they could build it without government assistance, provided

import controls were introduced. These might have to shut off foreign oil for twenty years. Canada was the only country in the world which did not have import controls. The question was whether the Montreal refineries would have to pay a higher price in order to pay the costs of construction of the pipeline. The independent industry claimed that this would not be necessary.

(c) The Cabinet should not face now the question of building a pipeline or not. It should limit itself to advising the Ministers of Finance and of Trade and Commerce on the attitude they should adopt during their consultations in Washington.

8. *The Cabinet* noted the report of the Cabinet Committee on Oil Policy and agreed that,

(a) Mr. Fleming, Mr. Hees and officials proceed to Washington the following week to hold consultations with the U.S. Secretary of Treasury and the U.S. Secretary of the Interior on the proposed Canadian oil programme;

(b) in their discussions in Washington, Mr. Fleming and Mr. Hees would be guided by the points raised during the discussion in Cabinet and, in particular, would indicate that there were strong pressures in Canada to build the Montreal pipeline and that, unless the objectives of the National Energy Board to increase Canadian production could be attained, the Canadian Government might find those pressures irresistible.

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421.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], January 26, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Fournier), (Dr. Hodgson).

OIL POLICY; ORAL REPORT OF MINISTERS
ON DISCUSSIONS WITH U.S. GOVERNMENT
(Previous reference January 19)

1. *The Minister of Trade and Commerce* said that the meeting in Washington on the previous day with members of the new U.S. administration had been cordial and apparently successful. He and Mr. Fleming had represented Canada, and the United States had been represented by Douglas Dillon, Secretary of the Treasury; Luther Hodges, Secretary of Commerce; and Stewart Udall, Secretary of the Interior. Mr. Ball, U.S. Under Secretary of Commerce, the Canadian Ambassador to the U.S., and other officials had been in attendance.

As this was the first official meeting between Canadian ministers and members of the new U.S. administration, he had expressed the hope that the friendly and informal relations that had previously existed between the two national governments would continue, and this sentiment had also been expressed by the U.S. representatives.

He had then outlined the policy which the Canadian government was planning to announce on oil. He had made it clear that he was acquainting them with the proposed policy and not consulting them on its formulation. Therefore it was not possible at the meeting to ask for their agreement. Nevertheless the discussions indicated that the U.S. ministers were impressed by the reasonableness of the position being taken by the Canadian government. The Canadian ministers had explained that as the policy would involve the export of oil overland to the U.S., Canada needed the goodwill of the U.S. government in the matter.

He had pointed out that the U.S. oil industry produced about 84 per cent of the domestic needs of that country, and that the proposed Canadian production target of 815,000 barrels per day by the end of 1963 would have the incidental effect of raising Canadian production to 83 per cent of our domestic needs. The target was therefore not unrealistic or unfair. The U.S. ministers had been impressed by this comparison. He had gone on to explain that the only two possible ways of achieving this target would be to supplement the normal growth of Canadian production either by increased exports, chiefly to the U.S., or by restriction of imports of foreign oil in order to give the Canadian industry a larger share of the domestic market. Therefore, unless oil exports to the United States were increased, the Canadian government might be under irresistible pressure to authorize construction of an oil pipeline to Montreal. The U.S. ministers were aware that this in turn would lead countries such as Venezuela, which now sold oil in Eastern Canada, to press the U.S. government to accept increased oil imports from them. Therefore an increase in exports of Canadian oil to the U.S. was in the best interest of both countries.

The U.S. ministers had asked that the text of the Canadian announcement should be in a form that would cause the least concern on the part of the U.S. public. The Canadian ministers in reply had offered to make the text available to the U.S. ministers before release, and to consider any suggestions they might make on verbal changes not affecting the substance.

The U.S. ministers had also asked whether the Canadian industry would be likely to export oil to new areas of their country. The Canadian ministers had replied that most of the exports would be sent to the Middle West and the Northwest (Districts IV and V) which were already receiving Canadian oil. New markets might develop, however, in the Chicago area, and, accordingly, the announcement would not contain any assurance that Canadian exports would be entirely confined to these districts. In reply to a further question, the Canadian ministers had said that the target figure of 815,000 barrels per day covered both oil and oil products.

The Canadian ministers had stated that the announcement would be made in about one week's time.

Officials were preparing a draft announcement. He would submit it to the Prime Minister, and subsequently the Canadian Ambassador would be instructed to forward the draft to the U.S. ministers to permit them to suggest verbal but not policy changes.

2. *Mr. Fleming* said that while in Washington he had suggested to the U.S. ministers that a meeting of the Continuing Joint Committee on Economic Questions might be held in Washington or in Ottawa at their early convenience. They had agreed and undertaken to propose a date for the meeting.

Mr. Dillon had also spoken very frankly to him about the tax proposals which President Kennedy would place before Congress in several weeks' time. The proposals were rather similar to those that had been included in the current Supplementary Budget of the Canadian government. The U.S. authorities were concerned about their country's balance of payments position, which had deteriorated greatly in the past two or three years. The proposed tax measures would be designed to plug loopholes in the existing tax legislation that had enabled U.S. corporations to improve their tax position by carrying on business abroad. None of the measures involved retaliation against Canada.

3. *The Cabinet*

(a) noted with approval the oral reports of Messrs. Hees and Fleming on their discussions on oil policy in Washington on January 25th with members of the new U.S. administration;

(b) agreed that a draft public announcement on oil policy would be prepared by Messrs. Hees and Fleming, and would then be submitted to the Prime Minister for approval and subsequently forwarded through the Canadian Ambassador to the U.S. ministers to allow them an opportunity to suggest verbal (but not substantive) changes in the announcement prior to its release; and,

(c) noted that the U.S. ministers had undertaken to propose a date for the next meeting of the Continuing Joint Committee on Economic Questions.

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422.

DEA/14404-C-8-40

Note des instructions pour le premier ministre

Briefing note for Prime Minister

[Ottawa], February 17, 1961

NOTES ON THE NEW CANADIAN OIL POLICY

A new national oil policy was announced in the House by the Minister of Trade and Commerce on February 1, after consultation with the United States Government. The following considerations were advanced in these consultations:

The policy of maintaining an unrestricted market for imports of crude oil and products may prove intolerable unless the level of production of oil in Canada rises. The possibilities for increasing use of Canadian oil to meet Canadian demand west of the Ottawa Valley are physically limited, so a continuing increase of exports of Canadian oil to markets in the United States to which it can economically be transported is fundamental to any program for increasing Canadian production which does not include arranging for a pipe line to Montreal. The Canadian position has been developed in the knowledge of the complex and awkward domestic and international problems which would result from the virtual exclusion of imported crude oil and products from the Central Canadian market which would be necessarily incidental to any decision to force Canadian oil into the Montreal market, and the Government takes the view that there may be mutual advantages to the United States and Canada in

securing the desired improved level of oil production by fostering the traditional pattern of growth of the industry.

In considering the volume of exports which might be expected in the next few years, the Government has adopted estimates considerably below even the more moderate among previous forecasts, such as those of the Borden Commission. It is therefore hoped that realization of these export targets would not embarrass the Government of the United States or place in jeopardy the present exemption of Canadian crude oils from United States import controls.

In the event that the efforts of the Canadian industry to increase production do not produce satisfactory results, the Government of Canada will of course give further consideration to restriction of imports and to arranging for a pipe line to Montreal. It will inform the Government of the United States in advance if it becomes necessary to undertake such measures.

The target for the production of Canadian oil, (including natural gas liquids) was set at about 800,000 barrels per day in 1963. The interim targets were 640,000 barrels per day in 1961, with at least 625,000 barrels per day to be attained by mid-year. Canadian production in 1960 was expected to average 548,000 barrel per day, and exports to the United States 113,000 barrels per day.

The planned increase in the use of Canadian oil in Ontario west of the Ottawa Valley is consistent with the public announcement made by the Venezuelan Government that it considers Venezuelan oil should not reach these markets in the interior of Canada. The expansion of export sales to the United States, which will be necessary to reach these targets, is regarded as consistent with the growth of sales of Canadian oil contemplated when exemption from United States oil import controls was established for Canadian oil moving in by pipe line.

Attached are copies of the Minister of Trade and Commerce's statement in the House and of the statement made by United States Secretary of the Interior Udall on February 2.⁵³

423.

D.M.F./Vol. 128

*Note du sous-ministre adjoint du ministère des Finances
pour le ministre des Finances*

*Memorandum from Assistant Deputy Minister, Department of Finance
to Minister of Finance*

CONFIDENTIAL

[Ottawa], May 8, 1961

MEETING WITH MR. UDALL ON OIL

You will have in your possession the briefing material prepared by the National Energy Board† for the meeting on oil matters with Mr. Udall, Tuesday, May 9, at 3.30 p.m. This memorandum provides supplementary information arising from a meeting we have had with Mr. McKinnon.

We do not know the exact purposes Mr. Udall had in mind when he requested that oil be placed on the agenda during his visit in Ottawa. We suspect that it is connected with the pressure which is being exerted on the U.S. Administration to impose greater restrictions on oil

⁵³ Voir/See David Halberstam, "Canada Warned on Oil Campaign," *New York Times*, February 3, 1961, pp. 31, 36.

imports. Conceivably, Mr. Udall may ask us to cut back on Canadian exports to the United States. In this connection the following observations are relevant.

Our oil exports have increased in 1961 and this increase is more or less in line with the programme envisaged under the national oil policy. It is true that some fortuitous and unexpected increases occurred during the first quarter of 1961 but swings of this type are bound to level out over the longer run and in any event are not inconsistent with the general trend in our exports as made known to the U.S. Government earlier this year. In fact, Canadian companies are in close liaison with the National Energy Board and are fully alive to the sensitive issues involved. Indeed, they have themselves exercised restraint and could actually have sold more oil in the U.S. than they did. Also, the Energy Board has refused to fall in with proposals of some Canadian companies which wanted to be relieved of their obligation in whole or in part to use more Canadian crude for domestic consumption and meet their targets under the national oil policy by an increase in exports of Canadian crude to the United States.

As indicated in the N.E.B. Brief, Mexican oil is entering the U.S. in increasing quantities by taking unfair advantage of a loophole in the over-land exemption. The U.S. Administration finds it very difficult to live with this and they might be forced to ask the Mexicans to restrict such imports. Clearly, the reasons which might justify such U.S. action in respect of Mexican oil are not relevant to the Canadian situation.

Mr. Hees expects that Mr. McKinnon will carry the main burden of responding to the Americans. While there is agreement that we should be quite frank with the U.S., it is felt that the briefing papers, and in particular the statistical statements, are solely for internal use on the Canadian side and should not be shown to our visitors, particularly since the figures include preliminary estimates.

I am attaching a Note† prepared for the Prime Minister regarding Mr. Udall's visit to Ottawa.⁵⁴

A.F.W. PLUMPTRE

424.

DEA/50316-6-40

*Note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le chef de la 1^{ère} Direction économique*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Head, Economic (1) Division*

RESTRICTED

[Ottawa], May 9, 1961

OIL: TALKS BETWEEN MESSRS. HEES AND UDALL

The conversation had to do with the rather rapid increase in Canadian exports, especially to Districts I - IV and the problems which such an increase presented for the continuation of the exemption. Mr. Kelly (the Assistant Secretary of the Interior) estimated that if recent trends continued, the increase might proceed at a rate three or four times as great as that contemplated when the Canadian national oil policy was communicated to the United States authorities. Mr. Kelly stated quite definitely that if it was thought necessary to restrict the Canadian exemption, there would be consultation beforehand.

⁵⁴ Note marginale :/Marginal note:
Noted. D.M. F[leming]

2. Mr. Hees assured the United States group that the Canadian Government was anxious not to contribute to the problems confronting the United States in this field.

3. It was agreed that Mr. McKinnon and Mr. Kelly would keep in close touch.

4. Mr. Kelly suggested at one point that the Canadian authorities would be welcomed if they saw fit to present their views to the hearings taking place in the next few days. After discussion it was agreed this would not be appropriate.

A.E. R[ITCHIE]

425.

D.M.F./Vol. 128

Note du ministère des Finances

Memorandum by Department of Finance

SECRET

Ottawa, October 26, 1961

MEMORANDUM ON PROPOSALS RELATING TO
CHANGES IN U.S. OIL IMPORT PROGRAM

1. U.S. Interior Department Proposed Changes in Oil Import Program.
2. Interior Department's Proposal to Canada.
3. Inter-Departmental Consideration of Kelly Proposal.

Appendices

- I. Statistics
 - (A) Exports of Canadian Crude Oil, 1961
 - (B) Exports and National Oil Policy Targets, 1961
- II. Some details on Interior's Proposed Changes in U.S. Oil Import Program.

[PIÈCE JOINTE 1/ENCLOSURE 1]

Note

Memorandum

SECRET

MEMORANDUM ON PROPOSALS RELATING TO
CHANGES IN U.S. OIL IMPORT PROGRAM

1. *U.S. Interior Department Proposed Changes in Oil Import Program*

At a meeting between Mr. Kelly, Assistant Under-Secretary of State for the Department of the Interior, and Mr. McKinnon in New York on September 21, Mr. Kelly advised Mr. McKinnon that the Department of the Interior was about to submit proposals for changes in the United States Oil Import Program to the State Department. These changes, he advised Mr. McKinnon, affected Canada in that he believed a definitive figure for Canadian exports in 1962 would be required in order to apply the new system. Some particulars of the proposed changes, as these have been revealed progressively to the National Energy Board, appear in Appendix II.

In essence the Department of the Interior is proposing to further restrict imports of off-shore crude and unfinished oils by seeking amendments to the Presidential Proclamation of March 10, 1959 and by introducing changes in the related Regulations. Mr. Kelly's proposed program

does not materially change the present situation in District V (the Pacific Coast area) but would introduce a significant departure regarding Districts I-IV, which include those market areas east of the Rockies served by Canadian crude.

If Mr. Kelly's proposals are implemented, off-shore or licenced imports of crude (i.e. imports which exclude Mexican and Canadian crudes) into Districts I-IV in 1962, would be limited to a fixed percentage of refinery inputs of domestic crude (runs to stills) during the year ending September 30, 1961. The figures would be revised at six-monthly intervals. Imports of products, other than residual fuel oil, will not be allowed to exceed the level of imports into these Districts in 1957. The calculated effect of the proposed changes in Districts I-IV is to give a larger share of the market for crude oil, and probably of the growth of demand, in the area to the United States' domestic industry.

Interior has effected an informal arrangement limiting Mexican export to the United States to 30,000 barrels a day over a period of three years commencing May, 1961. Canadian exports, which have risen rapidly in 1961, pose a serious difficulty in the proposed program. Canadian exports could, theoretically at least, increase in 1962 so as to frustrate Interior's purpose underlying the revised program. Mr. Kelly is therefore seeking to negotiate some agreed limitation on Canadian exports in 1962 and specifically, as will be noted later, has suggested that total Canadian exports of crude and unfinished oils be limited to 190,000 barrels a day in 1962.

It should be noted that Interior is proposing changes in the Regulations relating to allocation of import quotas to refiners which could effect a change in the marketing pattern of recent Canadian exports, particularly if implemented under any total limitation of Canadian exports. Refiners in the St. Paul-Minneapolis area, for example, have been purchasing high priced North Dakota and other domestic crudes rather than Canadian crudes largely because they have received import quotas which could be traded for as high as \$1.25 per barrel as a condition of their using offsetting volumes of United States crude. The proposal, now under consideration by Mr. Kelly, to lower the quota allocation to these refiners and others in the Northern Tier area, by eliminating Canadian crude imports under the Voluntary Program in future calculations of quotas, would make Canadian crudes highly attractive in St. Paul-Minneapolis. Growth in these markets could lead, if total exports were limited, to a frustration of desirable developments such as the construction of the pipe line to Buffalo.

National Energy Board discussions with Interior on more technical problems relating to proposed changes in the U.S. program indicated that Mr. Kelly may be somewhat flexible in a number of matters. It is possible that his request for a definitive figure for Canadian *total* exports may be modified as there are indications that he has a new appreciation of the special position of District V and the relative insignificance of an increase in Canadian exports into that District. It appears also that he is considering some modification of his proposed changes in the regulations relating to the St. Paul-Minneapolis area.

There is then, a certain degree of fluidity in the Interior Department's proposed changes and, it should be noted, other United States departments, including State, have yet to consider Interior's proposals.

2. Interior Department's Proposal to Canada

At the September meeting, Mr. Kelly not only gave some preliminary indications of the changes he contemplated in the U.S. import program, but also asked Mr. McKinnon to present a proposal to the Canadian Government that the level of Canadian exports of crude and unfinished oils for 1962 be fixed at 190,000 barrels a day. He indicated his desire to avoid any formal restriction on the entry of Canadian crude into United States markets but considered it necessary to the U.S. program to have some agreed limitation for 1962. He suggested that 190,000 barrels a day could be considered a satisfactory level in view of previous discussions

between the two countries. Mr. Kelly indicated that he foresaw Canada sharing in future growth of United States demand for crudes on an equitable basis and that he would participate in joint studies to facilitate orderly growth of Canadian exports. He suggested that his proposal be stated as follows:

(a) If the Canadian Government accepts the proposal in total, a confirming letter is to be written by the Honourable Mr. Hees to Secretary Udall and no further meetings will be necessary.

(b) If the Canadian Government accepts the principle of fixing levels of exports but wishes to introduce qualifications, a meeting would be arranged at whatever level Canada desires. Assistant Secretary Kelly would accept Chairman of the National Energy Board.

(c) If the Canadian Government will not accept the principle in respect of limitation of exports, a meeting at high level with representatives of interested United States and Canadian Departments would have to be arranged.

3. Inter-Departmental Consideration of Kelly Proposal

Mr. Kelly's proposal has been considered on two occasions by an Inter-Departmental Committee composed of representatives of the Departments of Finance, Trade and Commerce, External Affairs, Privy Council and the National Energy Board. Our Energy Counsellor at the Embassy in Washington attended one of the meetings.

These meetings served to focus attention on a number of important issues involved in considering the proposal. The procedure followed by Mr. Kelly is distinctly irregular and State Department, which traditionally has been helpful on many occasions in negotiations between the United States and Canada, could easily be offended if ignored by Canada in the negotiations. State has indicated its interest in the matter. The principle of limiting Canadian exports to the United States is clearly unsound in the circumstance of a large unfavourable balance of trade between the two countries and equally clearly there can be no diminution of the great importance placed by Canada on the exemption of Canadian crudes from U.S. oil import restrictions negotiated in 1959. The helpful role of State Department at that time is a matter of record. The meeting re-emphasized the extent to which information has been lacking regarding important details of the changes being proposed to the United States Government by Mr. Kelly. Subsequent discussion on these matters, as noted above, suggest a greater degree of flexibility on the proposals as these relate to Canada than might have been anticipated.

The Committee also recognized that a completely non-cooperative approach to the Department of the Interior is inconsistent with discussions with Mr. Udall, the traditional relations between the two countries and could unduly antagonize that Department. If carefully conducted, continued discussions with Interior might bring certain advantages. Mr. Kelly, for example, suggested on one occasion that some understanding on the level of exports from Canada would eliminate difficulties now becoming apparent regarding the use of the U.S. authorities of the hitherto technical requirement of a Presidential Permit for new international connections of pipe lines and similar facilities, to control U.S. imports. However, it was recognized that any cooperation afforded Interior should not violate Canada's vital interest in preserving its special position relating to the U.S. import restrictions nor interfere with existing sound relations with State Department through normal established channels of communication. Canada's oil industry has the capacity for substantial growth in export markets, and it is vital to secure continued access to these markets for the present and future on the best possible terms. Canada could not expect to limit exports to 190,000 B/D in 1962 without introducing formal controls.

In summary, the Inter-Departmental Committee would recommend for Ministerial consideration that further discussions might be held between Mr. McKinnon and Mr. Kelly.

Mr. McKinnon would clarify for Mr. Kelly the vital importance placed by the Canadian Government on the continued exemption of Canadian oils from any restrictions associated with the U.S. Oil Import Control Program. He would seek further clarification of Mr. Kelly's proposed revisions to the program and to the extent necessary give Mr. Kelly a National Energy Board forecast of Canadian exports in 1962 (it now appears possible that the forecast could be limited to Districts I-IV), recalling for Mr. Kelly the well-established cooperation existing between the Canadian oil industry and the Energy Board. This would be given on the understanding that the forecast would not be publicly attributed to Canadian sources. Mr. McKinnon would warn Mr. Kelly that the Canadian Government is not prepared to undertake control of oil exports. (No part of these discussions should be committed to paper.)

The Committee would also recommend that the Canadian Ambassador in Washington concurrently advise State Department on progress of discussions between the National Energy Board and Interior and the essential points of the further discussions to be held with Mr. Kelly, stressing that the Canadian Government attaches the highest importance to the unimpaired continuation of the overland exemption of Canadian crudes.

[PIÈCE JOINTE 2/ENCLOSURE 2]

Appendice I

Appendix I

SECRET

STATISTICS

(A)

EXPORTS OF CANADIAN CRUDE OIL, 1961
(IN THOUSANDS OF BARRELS PER DAY)

	<u>Districts I-IV</u>	<u>District V</u>	<u>Total</u>
Target (Minimum Objective)	70	75	145
Probable	93	91	184
Average, 4th Quarter	108	112	220

(B)

EXPORTS AND NATIONAL OIL POLICY TARGETS, 1961

	<u>Target</u> <u>'000 B/D</u>	<u>Percent</u> <u>Total Increase</u>	<u>Probable</u> <u>'000 B/D</u>	<u>Percent of</u> <u>Total Increase</u>
Domestic Use	490	67	452	29
Exports (Crude)	145	33	184	71
(Products)	<u>5</u>		<u>7</u>	
Total	640	100	643	100

[PIÈCE JOINTE 3/ENCLOSURE 3]

*Appendice II**Appendix II*

INFORMATION SUPPLIED BY MR. KELLY AND HIS ASSISTANT,
MR. SNEDEKER, ON INTERIOR'S PROPOSED CHANGES IN THE
UNITED STATES OIL IMPORT CONTROL PROGRAM

The proposed changes relate to:

1. The Proclamation
2. The Regulations.

1. *Proclamation*

An important amendment is to be made to Section 2 (a)(1) of the Proclamation to provide that in Districts I-IV the maximum level of licensed imports of crude oil and unfinished oils will be limited to a fixed percentage of refinery inputs of domestic crude (runs to stills) during the year ending 3 months prior to the allocation period fixed by the Secretary of the Interior. The first period to be fixed will be the year ending September 30, 1961 and the figures will be reviewed every 6 months. Within this maximum level, imports of unfinished oils will not be allowed to exceed 10 per cent of the permissible imports of crude oil and unfinished oils. Imports of products, other than residual fuel oil to be used as fuel, will not be allowed to exceed the level of such products imported into these Districts during the calendar year 1957.

Section 2(b) is to be amended essentially to provide for corrections of under estimates of demand by the United States Bureau of Mines and overages of Canadian imports. The emphasis here is to provide for a constant stock level. The amendment also relates to controlling shipments of crude and products from the West Coast to Districts I-IV and will provide that any such shipments in excess of the 1958 level will not count as demand in District V.

District V allocations are made up in the following manner: The maximum domestic production for District V is calculated (approximately 830 MB/D). To this is added the maximum capacity of the Four Corners Pipe Line (80 MB/D). Product transfers from District IV are added in (50 MB/D). Natural gas liquid production is included (70 - 75 MB/D). Finally, an estimate for Canadian crude is calculated and added into the number. The difference between the addition of the above factors and estimated demand (approximately 1,300 MB/D demand) is equal to the overall offshore import allocation.

Under the new set-up the Department of the Interior will correct for overages and shortages in estimates on the West Coast every six months by a running adjustment. For example, if Canada brings more crude into District V in a six month period than estimated, then in the next six month period, a corresponding reduction will be made in offshore imports.

Section 9 (f), the definition of crude oil, is to be amended to read as follows:

“‘Crude oil’ means crude petroleum as it is produced at the well-head and any mixture of hydrocarbons existing in a vaporous phase in the reservoir, which is recovered as a liquid under atmospheric conditions but which is unsuitable for use as a finished product without being refined, and is not over 65 PI gravity at 60° F.”

Section 9(g), definition of “natural gasoline” or “plant condensate” is to be amended to mean

“a product from wet gas or from a mixture of vaporous hydrocarbons of an oil- or gas-bearing reservoir manufactured in a plant or factory by the process of absorption,

adsorption, compression, refrigeration, cycling, or a combination thereof and which, without further processing, is suitable as a blending component of the finished product.”

2. Regulations

It is understood that Section 10 of the Regulations dealing with the allocation of crude oil and unfinished oils, is to be amended.

Subsection (b) is to be amended to provide that there will be a sliding scale for three categories only:

0 to 30,000 B/D
30,000 B/D to 100,000 B/D
100,000 B/D plus.

Subsection (c) is to be amended to provide that the percentage of the applicant's last allocation of imports of crude oil under the Voluntary Oil Import Program will be reduced by 2 per cent every six months and there will be a further amendment to provide that the last under the Voluntary Oil Import Program shall not count for quota allocation purposes to the extent that it include any oil subsequently exempted under the overland provision under the amendment to the Proclamation.

Discussions with Mr. Snedeker in Ottawa 18-20th October, indicated Mr. Kelly may introduce some further amendments relating to this item.

426.

DEA/14405-C-8-1-40

*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*

CONFIDENTIAL

Ottawa, October 31, 1961

CANADIAN OIL EXPORTS TO THE UNITED STATES
FORMAL COMMUNICATION TO THE UNITED STATES GOVERNMENT

Attached for signing, if you approve, is a telegram to our Ambassador in Washington instructing him to present to the State Department the formal communication on the subject of Canadian oil exports to the United States which was agreed upon by the Cabinet Oil Committee.⁵⁵

A.E. R[ITCHIE]
for Under-Secretary of State
for External Affairs

⁵⁵ Note marginale :/Marginal note:
Signed by SSEA 31/10. R. C[ampbell]

[PIÈCE JOINTE/ENCLOSURE]

*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 E-2204

Ottawa, October 31, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: NATO Paris (OpImmediate).

CDN OIL EXPORTS TO USA: FORMAL COMMUNICATION TO USA GOVT.

Ministers have now approved the following text of a formal communication to the USA Government on the subject of Canadian oil exports to the USA. Text Begins:

The Canadian Government is aware that following public hearings the USA Government is considering modifying the mandatory oil program. Any changes of course would affect imports into the USA.

The Canadian Government attaches the highest importance to the unimpaired continuation of the overland exemption set out in the Presidential Proclamation 3279 of March 10, 1959, as amended by Proclamation 3290 of April 30, 1959, the reasons for which remain valid.

The policy of the Canadian Government with respect to exports of Canadian oil is to encourage their expansion without serious disruption of markets. It is not repeat not the intention of the Canadian Government to impose export controls.

The National Energy Board intend to continue their close and valued cooperation with the Department of the Interior and will from time to time provide information regarding the anticipated pattern of Canadian exports as may be forecast by the National Energy Board. Text Ends.

2. You should now present this to the State Department at a senior level.

3. Ministers also approved the suggested verbal communication to be made by McKinnon to Kelly. McKinnon is now in Paris and will be seeing Kelly we expect on November 1, though we do not repeat not know at exactly what time. He has been informed that you have been instructed to present the formal communication set out above.

H.C. GREEN

427.

DEA/14405-C-8-1-40

*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], December 8, 1961

IMPORTS OF CANADIAN OIL INTO THE UNITED STATES

As you are aware, the United States administration has been under heavy pressure from domestic industry to cut the current United States quota for imports of foreign oil. The Department of the Interior, though it did not suggest doing away with the "overland exemption" under which Canadian oil moves to the United States, wished to see Canadian

imports held to about 190,000 B/D and based its proposals for revised import quotas for non-Canadian oil on that figure. These proposals have now been examined by President Kennedy, who has announced (a) that the present import quota system, instead of being revised on January 1, 1962, will be continued to June 30, 1962; and (b) that a comprehensive study of petroleum requirements and supplies in relation to national security will be undertaken at once, to be completed by mid-1962. These findings will form the basis of a new import programme.

Our Embassy in Washington has sent comments on the President's statement of policy which you may find of interest. In the first place, the Embassy points out that the President has removed the discussion of oil policy matters from the predominant control of the Department of the Interior and ensured that it will be subject to the collective consideration of all the executive agencies concerned. Secondly, the Embassy continues as follows:

“What we think the President has called for is a completely new approach and appraisal against the backdrops of the determination of administration to pursue in the Congress and with the public a broader, liberal and different international trade policy, and the increasing incursions of Soviet oil into the Western markets.”

Finally it is suggested that the United States administration's evident belief in the need for a general reappraisal of oil policies may well mean that Canada will be asked to participate in discussions to this end.

H.C. G[REEN]

SECTION E

DINDES
TURKEYS

428.

DEA/3300-40

*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 28, 1961

FURTHER UNITED STATES COMPLAINT ABOUT
CANADIAN IMPORT RESTRICTIONS ON TURKEYS

At the request of the United States a consultation was held between United States and Canadian officials in Ottawa on November 10 on the subject of our import restrictions on turkeys. This consultation was requested by the United States under the terms of paragraph 1 of Article XXII of the General Agreement on Tariffs and Trade, which reads as follows:

“Each contracting party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as may be made by another contracting party with respect to any matter affecting the operation of this Agreement.”

2. These import restrictions were imposed in July 1957 in connection with a domestic price support programme for turkeys. At that time Canadian producers were only beginning to develop large-scale production and marketing techniques and were faced with severe competition from a much more highly developed United States industry which was exporting

large quantities into Canada. The support programme established a minimum price at which the Canadian Government undertook to intervene in the market to purchase turkeys. The import restrictions were imposed in order to avoid the depressing effect of imports on the Canadian price level and to guard against the eventuality that the Government might find itself purchasing imported turkeys in taking action to support the domestic price. The price support measures and related import restrictions were regarded at the time as a temporary measure to allow and encourage the Canadian industry to develop large-scale modern production and marketing techniques. These developments have in fact taken place. Over the past few years, Canadian producers have generally been marketing their birds at prices comparable to those prevailing in the United States and at times have exported quantities to the United States. The question therefore arises of whether the support price measures on turkeys and the related restrictions are any longer really required by the Canadian industry.

3. The United States, which is the only country affected, has objected to these import restrictions on turkeys from the beginning; and this problem, although affecting an insignificant part of total Canadian-United States trade, has been a persistent irritant in Canada-United States trade relations. Some satisfaction was given to the United States in October 1958 by the opening of a 300,000-lb. quota for the fourth quarter of that year. In 1959, following strong representations by the United States Government a 4,000,000-lb. annual quota was established, with a provision that no more than 1,000,000 lbs. could be imported in any one quarter. Somewhat later the quota was modified so that within the 4,000,000-lb. annual quota up to 2,000,000 lbs. could be imported in one quarter. The amount of this quota is substantially below the quantities imported from the United States during the years before the restrictions were imposed.

4. The United States Government, however, has remained dissatisfied and on many occasions has protested that these restrictions are (a) inconsistent with Canada's obligations under the General Agreement on Tariffs and Trade, (b) constitute an impairment of tariff concessions on turkeys negotiated by the United States and bound under the Agreement, and (c) result in substantial damage to United States exports. The United States has not so far taken the matter before GATT Contracting Parties, although they have threatened to do so on a number of occasions. At the recent consultation on November 10, the United States representatives stated that they might well carry their complaint forward under the procedures of the Agreement unless we were able to resolve the problem by removing the restrictions at an early date or by granting a more generous quota for United States exports, preferably in time to benefit exports for our Christmas trade.

5. Should the United States take their case to the GATT Contracting Parties, it would be difficult, to say the least, for us to argue that these restrictions were consistent with our obligations under the General Agreement. An adverse ruling by the GATT Contracting Parties, moreover, might lead to a formal request by the United States for compensation or to retaliatory action by the United States against some portion of Canadian exports. An adverse ruling would also be damaging to the efforts which Canada has been making in the GATT and elsewhere to achieve a relaxation of import restrictions imposed by other countries on important Canadian agricultural exports. There is no question that the removal of these restrictions or the enlargement of the quota would have an effect on Canada-United States trade relations far greater than would be indicated by the amount of trade involved.

6. In the circumstances you may wish to discuss with other Ministers concerned the question of an early removal of these import restrictions on turkeys or if this is not possible the enlargement of the existing 4,000,000-lb. quota on imports. Officials in the Departments of Agriculture, Trade and Commerce and Finance are briefing their Ministers on this subject, as a result of the November 10 consultation, and we understand that the Minister of Agriculture

may be prepared to agree to some early action. If you think this matter might be discussed in Cabinet, we should be glad to proceed now, in consultation with other Departments concerned, with the preparation of an appropriate Memorandum to Cabinet to be submitted by the Ministers mainly concerned.⁵⁶

N.A. R[OBERTSON]

P.S. We have learned that the United States Minister of Agriculture a few days ago telephoned Mr. Hamilton on this matter, requesting that measures be taken to permit further United States exports before Christmas.

429.

DEA/3300-40

*La 1^{ère} Direction économique
à l'ambassade aux États-Unis
Economic (1) Division
to Embassy in United States*

PERSONAL AND CONFIDENTIAL.

Ottawa, December 8, 1961

Dear Maurice [Schwarzmann],

GATT: CANADIAN IMPORT CONTROLS ON TURKEYS

With reference to your telegram no. 3703 of December 6† and our reply which is going forward today,‡ you will be interested in the attached letter dated November 23 from Mr. Hamilton to Mr. Freeman,‡ marked "Personal and Confidential," on this subject. I am sending this to you for your own information, of course.

Also for your own information, Mr. Green has indicated that External Affairs should take no initiative in this matter. However, Mr. Hees, after being consulted by his Department, indicated that he would be prepared to explore with his colleagues the possibility of dismantling the restrictions some time next year. The next step would seem to be for Trade and Commerce to follow this up with Agriculture and possibly Finance. No doubt the possibility and the timing of an election here will be an important factor in reaching a decision.

The subject has not therefore been mislaid or forgotten here, and I hope you will impress your American colleagues with this fact and try to persuade them not to carry the matter further in GATT for the time being at any rate.

Yours sincerely,

W.F. STONE

⁵⁶ Notes marginales :/Marginal notes:

Please take no initiative on this. H.C. G[reen]

Leave to Mr. Hamilton. 30/11 [Ross Campbell]

430.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], December 21, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill), (for morning meeting only)
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker), (for morning meeting only)
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge), (Mr. Watters).

. . .

PRICE SUPPORT FOR TURKEYS

20. *The Minister of Agriculture* said he was recommending that price support be continued for the year 1962 at the present rate of 20 cents per pound, which was 58.8 per cent of the base price of 34 cents per pound. If Cabinet approved his proposal, he had an announcement to make to the press in which he would say that there would be no change in the import control programme on turkeys for the present. He was under pressure from the United States to take off the import controls and he wanted to assure the Canadian producers that the import controls would remain for the time being at any rate.

(Minister's memorandum, Cab. Doc. 474-61, Dec. 20).†

21. *During the discussion* it was said that nothing would be gained by referring to import controls and the reference might cause concern among the U.S. hog producers.

22. *The Cabinet* agreed,

(a) that, for the 12 months from January 1st, 1962, turkeys produced in Canada be designated as an agricultural commodity for the purpose of sub-para. (ii) of para. (a) of sub-section (1) of Section 2 of the Agricultural Stabilization Act;

(b) that the support price for the period should be 58.8 per cent of the base price of 34 cents per pound, f.o.b. Toronto, or 20 cents per pound for live No. 1 Turkeys weighing at least ten pounds but under twenty pounds; and

(c) that there should be no reference to import controls in the press release of the Minister of Agriculture.

(An order in council was passed accordingly; P.C. 1961-1845, Dec. 21).

...

SECTION F

ALIMENTATION POUR LA PAIX FOOD FOR PEACE

431.

DEA/11049-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 348

Washington, February 3, 1961

CONFIDENTIAL

Repeat for Information: Prime Minister Ottawa, T&C Ottawa, Finance Ottawa, Agriculture Ottawa from Ottawa, London, Paris, Rome from Ottawa.

FOOD FOR PEACE; POLICY OF KENNEDY ADMINISTRATION

At his request, I called on George McGovern, the new Director of Food for Peace, yesterday February 2. Marshall and MacNaught accompanied me. McGovern's position, which was formerly held by Dr. Paarlberg, is now on the executive staff directly under the President. The Director's establishment has been substantially strengthened by full and part time officials from the Departments of Agriculture and State. McGovern seems to know Canada; his family lived for some years in Calgary. His attitude yesterday morning was very friendly and cooperative.

2. McGovern opened our conversation by asking what I thought he could do in order that maximum benefit be derived all round from USA Food for Peace activities. He was anxious that what was done by the new Administration should carry the judgement of other countries like Canada which had surplus food stuffs and similar objectives.

3. In response I expressed appreciation of his invitation to call on him and mentioned our own great interest in developments which would take place in the USA programme. I pointed to the close cooperation which had been developed between us over past years in this area and reminded him that Canada had from the outset supported and encouraged the Food for Peace concept. He would be aware that the Prime Minister was personally very much interested and had actively espoused the objectives of a coordinated programme. We believed, as did USA, that available foodstuffs should be used to the greatest possible extent for the alleviation of distress and hunger.

4. Having said as much, I went on, it should be borne carefully in mind that the carrying out of our programmes in this area raised many questions, particularly in relation to normal commercial trade. In Canada wheat was, as the Director would know, of special concern because of its much larger relative importance to Canadian economy than to that of USA. So we would hope, indeed expect, that in the implementation of USA policies due regard would continue to be had for Canada's interests. The pattern of consultation which had been

developed, particularly over recent years, had on the whole worked well. We trusted that it would be continued and that care would be taken to give us adequate notice and opportunity for discussion on USA deals in contemplation.

5. McGovern, pointing out that he came from a wheat growing state, said that he welcomed and had sought this opportunity to assure us that we could count on full consideration of Canadian interests by him and his officials. The machinery of joint consultation would certainly be preserved and, where possible, strengthened. Anything which would tend to upset or depress the markets of the Canadian wheat farmer would not repeat not help USA but in the long run would affect adversely the interests of American producers as well. He and his officials would work very closely with us.

6. Naturally I expressed appreciation for the assurances given me by the Director and thanked him for this early opportunity of meeting him and explaining our position. Many difficulties in this area, but not repeat not all, had been resolved between us in the past. No repeat no doubt there would be difficulties and differences in the future for the pressures were great and the situation complex. It was in both our interests that such difficulties should not repeat not develop to the point of attracting public attention. McGovern expressed full agreement on these points.

7. The Director then referred to the impending USA mission to South America.⁵⁷ This, he said, would be of a technical nature. When the mission had returned and reported to the Government, he himself would probably head another group to negotiate agreements with the countries where possibilities had been uncovered. Before any such agreements were made, however, we would be fully consulted. He went on to volunteer that in these arrangements particular stress would be placed on the principle of "additionality." The mission would be concerned with what assistance might be given to alleviate distress and for economic development, such as assistance in land reform; for example, the donation of feed grains to farmers settling on new land to enable them to get a start. They would seek to avoid deals which would impinge upon normal commercial marketings.

8. Returning to the mutual interest that our two countries had in the orderly disposal of surplus wheat, McGovern mentioned a friend who had undertaken a very sizeable deal in soya beans. The deal was so large that although he could have handled it himself, he decided to share it with his competitors on the ground that this would be in the best long range interests of all. He drew the analogy with the USA-Canadian position in wheat; anything which hurt the Canadian farmer must in the long run have undesirable repercussions on the American farmer. It was in USA's own interest to preserve and improve our existing relationships in surplus disposal and he proposed to operate on this principle.

9. If as time goes on the Director is able to abide by the policy he stated yesterday (and I believe he will do his best to do so), the prospect for cooperation with his organization is good and the activities of the expanded food for peace programme should not repeat not cause undue apprehensions in Ottawa. But we will be in a better position to judge of this a year from now.

10. Incidentally, among those working with the new Director are officials such as O'Leary, formerly of Agriculture, and Bramble of State, both of whom are fully aware of the value of close cooperation and consultation with us.

11. I am leaving Latin American distribution of this message to the Department.

[A.D.P.] HEENEY

⁵⁷ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. IX (Washington: United States Government Printing Office, 1995), document 87.

7^e PARTIE/PART 7
DÉTOURNEMENT DE CHICAGO
CHICAGO DIVERSION

432.

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], October 12, 1961

CHICAGO DIVERSIONS: CASES BEFORE
THE UNITED STATES SUPREME COURT

Background:

In the summer of 1959 the United States Supreme Court appointed a Special Master (Mr. Justice Maris) to hear evidence on both sides of the diversion controversy. As we understand it, the purpose of the hearings before Judge Maris is to take any evidence bearing on the controversy with regard to diversions, past and prospective, in the areas of power production, navigation, possible pollution and recreational facilities resulting from continuing unlimited diversion or new diversions out of the Great Lakes Basin for domestic pumpage.

2. There are four cases before Judge Maris. In cases numbers 2, 3 and 4, six Great Lakes States are asking that the Supreme Court order Chicago to treat the water it uses for domestic purposes (1,700 c.f.s.) and return it in a purified form to Lake Michigan. If this suit were successful, the effect would be either a reduction or a limitation of the amount of diversion for domestic pumpage purposes which is now being made by Chicago.

3. In the fourth case, No. 12, the Elmhurst - Villa Park - Lombard Water Commission seeks authority to divert 30 to 50 c.f.s. from Lake Michigan for domestic purposes with disposal into the Mississippi drainage basin. (In May, 1960, Judge Maris refused a request for an advance ruling by Illinois to permit these three Chicago suburbs to take unlimited amounts of water from Lake Michigan on the grounds that they had a water shortage; he found no evidence that a genuine water shortage existed.)

4. If case No. 12 were successful, and there were no requirement that the water diverted be returned to the Great Lakes Basin, the Elmhurst - Villa Park - Lombard Commission diversion would constitute an unilateral diversion from Lake Michigan. While the amount of water proposed for diversion in this case would not perhaps in itself have much effect on navigation or power interests downstream, a favourable decision would establish a precedent for unilateral diversions which might well be followed by other lake shore communities on Lake Michigan.

5. The United States Government applied for and received Leave to Intervene in all four cases outlined above and has already presented to the Court summaries of treaty and other arrangements between the United States and Canada with a view to reserving its rights.

Recent Developments:

6. You will recall that earlier this summer the State Department informed us that it proposed to have the United States Solicitor General intervene in these cases later this autumn or next winter. The State Department asked us whether we would like to submit an Aide Mémoire (or note) making it clear that Canada is unalterably opposed to unilateral diversion as envisaged by the Elmhurst - Villa Park - Lombard Water Commission; and that permission for the diversion

in case No. 12 would establish a precedent for other communities to take similar action. The State Department has recently informed us that it does not propose to have the United States Solicitor General appear before the Court, although he might be called before it by Judge Maris, but intends rather that he should submit further evidence to the Court in writing. For this purpose, of course, a document from Canada would be particularly useful.

7. Careful consideration has been given to the form in which Canadian views on Chicago diversion might most suitably be made known to the Court. In the light of this consideration, I now wish to recommend that we accept the suggestion made by the State Department that Canadian views on Chicago diversion be reaffirmed and that our views be conveyed in a first person note from the Canadian Ambassador in Washington to the United States Secretary of State. I further recommend that this note make reference to all four cases before the Supreme Court, even though Case No. 12 original, involving as it does the possibility of a new unilateral diversion, gives undoubtedly cause for greater concern than the prospect of a decision favourable to Illinois in the other three cases which, while not limiting domestic pumpage diversions, would not necessarily increase them either.

8. If you agree with these recommendations, a draft note to the United States Secretary of State is attached for your consideration.⁵⁸

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Projet de Note de l'ambassadeur aux États-Unis
pour le secrétaire d'État des États-Unis*

*Draft Note from Ambassador in United States
to Secretary of State of United States*

Excellency,

On instructions from my Government, I have the honour to refer to cases now before the Supreme Court of the United States, October term 1959, Nos. 2, 3 and 4 between the States of Wisconsin, Minnesota, Ohio, Pennsylvania, Michigan and New York as complainants and the State of Illinois and the Sanitary District of Chicago as defendants; and case No. 12 original between the State of Illinois as complainant and the States of Michigan, Ohio, Pennsylvania, New York and Wisconsin as defendants.

It is noted that in cases Nos. 2, 3 and 4, the complainants ask that the defendants be restrained from discharging any of the treated effluents emanating from the Sanitary District's sewage and industrial treatment facilities into the Chicago Sanitary and Ship Canal, and that the said defendants be required to return all of said effluent to the Great Lakes Basin from which it originally came in the form of "domestic pumpage;" and alternatively that a Permanent Master be appointed for the purpose of determining whether measures other than the return to Lake Michigan of the Chicago domestic pumpage effluent can be put into effect so that such measures will either reduce the direct diversion or limit the Chicago domestic pumpage, to the end that the total amount of diversion from the Great Lakes at Chicago will be reduced or restricted.

It is further noted that in case No. 12 original the complainant asks the Court to declare that the State of Illinois and its instrumentality, the Elmhurst - Villa Park - Lombard Water

⁵⁸ Notes marginales :/Marginal notes:

OK. H.C. G[reen]

Text approved by SSEA 20/10. R. C[ampbell]

Commission, are entitled to proceed with a programme for the construction of a water supply system and the withdrawal of water from Lake Michigan, and further asks the Court to restrain the defendants from interfering with such construction and withdrawal.

It is a matter of satisfaction to my Government that the United States of America, in applying for Leave to Intervene in cases 2, 3, 4 and 12 original in order to protect its interests, included among those interests the “maintenance of friendly relations with Canada.” Your Excellency will recall that representations have been made to the Government of the United States of America on numerous occasions during a period of many years with respect to a variety of proposals concerning the diversion of water from Lake Michigan out of the Great Lakes watershed at Chicago; that the Canadian Government has never consented to any such diversion; and that it has repeatedly expressed its unalterable opposition to such unilateral diversions which, in its view, are in violation of Canada’s rights under many agreements and understandings between the United States of America and Canada. Because of the importance to Canada of the questions under consideration in the cases referred to above, the Government of Canada, while fully reserving its rights, believes that it is timely to re-examine the considerations which it regards as relevant and material to any proposals involving diversions of water out of the Great Lakes watershed.

Furthermore, the Government of Canada, while not submitting in any way or for any purposes to the jurisdiction of the Supreme Court of the United States in these cases, considers that its views should be reiterated at this time so as to avoid any possible misunderstanding as to the nature and extent of Canada’s rights and interests in the outcome of the cases referred to above. I have accordingly been instructed to bring the following considerations to your attention.

Every diversion of water out of the Great Lakes watershed at Chicago inevitably decreases the volume of water remaining in the Great Lakes Basin for all purposes. Any lowering of the water levels has measurably adverse effects upon Canadian navigation in the Great Lakes and the St. Lawrence River. Similarly, any decrease in the outflow of Lake Erie and Lake Ontario causes a proportionate reduction of the power potential of the Niagara and St. Lawrence Rivers. Consequently, diversions such as that under consideration in case No. 12 original would impair Canada’s legitimate interests. Conversely, any restriction upon presently existing diversions not previously consented to by Canada such as is under consideration in cases No. 2, 3 and 4 would be consistent with Canada’s legitimate interests.

The causal relationship between diversions out of the Great Lakes Basin and the resultant adverse effects upon Canadian and United States of America navigation and/or power interests is recognized in the following treaties and agreements:

Treaty between Canada and the United States of America relating to uses of waters of the Niagara River, signed at Washington, February 27, 1950. CTS 1950/3;

Treaty between Great Britain and the United States of America relating to Boundary Waters and Questions arising along the boundary between Canada and the United States, signed at Washington, January 11, 1909. CUS 1927/312;

Exchange of Notes between Canada and the United States of America concerning the construction of the St. Lawrence Seaway, signed at Washington, June 30, 1952 and January 11, 1952. CIS 1952/30;

Exchange of Notes between Canada and the United States of America modifying the Exchange of Notes of June 30, 1952 concerning the construction of the St. Lawrence Seaway, signed at Ottawa, August 17, 1954. CTS 1954/14;

Exchange of Notes between Canada and the United States of America relating to the Great Lakes – St. Lawrence Basin (Niagara Falls – Long Lac Ogoki Works – Albany River Basin), signed at Washington, October 14 and 31 and November 7, 1940. CTS 1940/11.

In accordance with the aforementioned treaties and agreements various hydro-electric power installations and navigation channels, including those of the St. Lawrence Seaway, have been constructed. Such projects would be jeopardized by diversions of the kind under consideration in case No. 12 original. Moreover, apart from damage immediately attributable thereto, such a diversion would establish an extremely undesirable precedent with serious implications for Canada.

For the foregoing reasons, and bearing in mind the importance attached by the United States of America and Canada to the honouring of international undertakings in letter and in spirit, I have been instructed to convey the Government of Canada's serious concern at the prospect of any action being taken which would impair the legitimate interests of Canada, including Canada's rights under agreements and undertakings between our two countries relating to the Great Lakes Basin, and would constitute an irritant to good relations between Canada and the United States of America.

(to be signed by
A.D.P. HEENEY)

433.

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*

RESTRICTED

[Ottawa], October 31, 1961

CHICAGO DIVERSION

There has been a new development in the series of cases concerning present and proposed diversions from Lake Michigan, and the delivery of the proposed note to the U.S.A. on the question which you approved in mid October has been held up briefly in order to give time to consider its implications.

2. After the transmission of the note to our Embassy in Washington, but before its delivery to the State Department, our Embassy learned from Counsel for three of the Great Lakes States opposing the proposed diversion from Lake Michigan that the Assistant Attorney General of Michigan is at present engaged in bringing together all the past documentation and testimony which deals with the international implications of Chicago Diversion with a view to presenting it to the Court. We understand that it is their thinking that evidence of Canada's interests can be used to buttress theirs; and indeed may be the strongest weapon at their disposal. This is in some ways a favourable development, since it is an additional means of ensuring that the Canadian position is made known to the Court. However, there may be certain dangers involved which, while not requiring a redrafting of our note, do suggest the advisability of a slight change in procedure subsequent to its delivery.

3. As you will recall, the State Department asked us not to reiterate the arguments put forth in our note of April 9, 1959,⁵⁹ (which had been directed at legislation pending before Congress and not to the present litigation), and made clear that if we did so they might feel obliged to query them in Court. Our main concern, therefore, was to ensure that the Canadian position would be properly presented to the Court while at the same time avoiding, if possible, an

⁵⁹ Voir Canada, Chambre des Communes, *Débats*, 1959, Volume III, pp. 2916 à 2917.
See Canada, House of Commons, *Debates*, 1959, Volume III, pp. 2784-85.

argument in Court with the State Department which might blur the Canadian legal position and thereby weaken our case. An examination of the Petition for Leave to Intervene and Motion in support thereof presented by the State Department indicated that while the specific arguments outlined in our earlier note had not been reiterated, both the treaty provisions and the factual situation on which they were based had been included in the State Department brief and in fact a large part of the U.S.A. argument was directed to the question of the "maintenance of friendly relations with Canada." In these circumstances, and bearing in mind the extent of our mutuality of interests with the State Department in this case, it was felt that the risk of leaving the presentation of the Canadian case to the State Department was relatively slight and we need not, at least at this stage, appear by *amicus curiae*, nor, since the substance of our case had already been presented to the Court, precipitate a difference in Court with the State Department by reiterating in detail the particular arguments outlined in our earlier note. The note which you approved was therefore carefully drafted so as to include the essential elements of the Canadian position without going into those arguments which might invite controversy with the State Department.

4. The possibility now arises that Counsel for the Great Lakes States opposing the diversion may raise the very questions which we have avoided and in so doing embroil us in controversy with the State Department. It is known, however, that some degree of co-operation exists between the State Department and the Great Lakes States in question, and it is a reasonable assumption that the State Department will attempt to ensure that the arguments to which they take exception are not raised by the States. It may therefore prove possible to continue to maintain the active support of the State Department for our position while also gaining that of those States with whom our interests coincide. Consequently, there would seem to be no reason for redrafting our note nor altering the decision not to appear at this stage by *amicus curiae*. Since, however, we would have no control over the line of argument which might be taken by the Great Lakes States, the possible dangers involved in their support provide an added reason for keeping a careful eye on developments in the four cases in which we are making representations, with a view to enabling us to determine as developments occur whether or not it would be advisable to intervene at some stage by means of *amicus curiae*. I have, therefore, drafted the attached telegram to our Mission in Washington,[†] for your signature, if you agree, assessing the significance of the possible intentions of the Great Lakes States in question as providing merely an added reason for continuing to closely observe developments in the four cases, and confirming that the note should be delivered in its present form.⁶⁰

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

⁶⁰ Notes marginales :/Marginal notes:
Signed by SSEA 1/11. R. C[ampbell]
L-414 sent 17:00 1/11. R. C[ampbell]
Cette note fut remise le 2 novembre 1961.
The note was delivered on November 2, 1961.

434.

DEA/1760-B-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. 1732
RESTRICTED

Washington, December 18, 1961

DIVERSIONS FROM LAKE MICHIGAN

A member of the Embassy recently had a conversation with Mr. N. Olds, Assistant Attorney General for Michigan, and Mr. Roy Vallance, Counsel for four of the Great Lakes states in the cases now being heard by the Special Master of the Supreme Court. Mr. Olds outlined the measures that Michigan and the other Great Lakes states had taken to prepare their cases and reiterated that it was the view of the Great Lakes states that the international implications of these cases would have an important bearing on the attitude of the Special Master and the justices of the Supreme Court. The states were urging the Solicitor General to present as much evidence and material as possible bearing an earlier expressed Canadian concern at the effects of diversions from Lake Michigan, but they were not at all convinced that the Solicitor General would do this.

2. Olds went over much the same ground as Vallance had with us earlier and emphasized that the injuries to the states from additional diversions would be felt in Canada and it was for consideration, therefore, whether the Canadian Government might not wish to submit to the Department of State documentary material bearing on the injuries which would be sustained by Canada through any additional diversions. He pointed out that the Supreme Court, in cases of this kind involving its original jurisdiction, reached a decision not so much on the law involved but rather on the broader question of public interest. That is to say, it based its decisions on a judgement of the extent of injuries which would result to either party. He used as an illustration the drawing up of a balance sheet, on one side of which would appear the costs to the Sanitary District of Chicago of providing for optimum treatment facilities so as to return treated effluent to the Great Lakes basin and, on the other side, the costs to the other interested parties of remedial works which would be required to offset any net additional diversions.

3. It was Olds' view that an assessment of the material injury to Canada of additional diversions should appear as an entry in the "balance sheet," but it could not be assumed that the Court would take cognizance of these injuries unless the Canadian Government took steps to ensure that the Special Master was aware of them. Olds and Vallance had in mind the submission by Canada of material not unlike that submitted to the Secretary of War in 1912 which would give an estimate of the injurious effects of additional diversions on power, navigation, recreation and related riparian interests.

4. While Olds was optimistic as to the Supreme Court's ruling, there was no certainty in his mind that the problem would be resolved once and for all or that a completely satisfactory decision would be arrived at. In his view, the international aspects of the question would carry great weight with the Supreme Court and he was not convinced that at the present time the State Department and the Solicitor General were contemplating doing enough to ensure that the Special Master would be aware of all the ramifications involved. While the Executive and Legislative branches of government were very much aware of Canadian concern, these cases were now before the Judicial branch of government and in his estimation, the Court would only take cognizance of those things to which its attention was explicitly directed.

5. In essence, it seems to us that Olds is arguing that while the State Department, in presenting our note to the Court, is making its case on the “maintenance of friendly relations with Canada” aspect, there is still the question of direct Canadian riparian interest on which Canada could, in a sense, argue its own case.

6. We thought it desirable to apprise the State Department of the views expressed by Olds and we spoke to Carlson, Officer-in-Charge of the Canadian Desk. Carlson was aware, in general terms, of the position Olds had adopted since the latter had been in touch with the Legal Adviser’s Office in the State Department. We pointed out to Carlson that naturally the Canadian authorities would want to be assured that they had done all they could to ensure that the Special Master was aware of the Canadian interests involved in these cases. Carlson took the view that, in the circumstances, the Canadian note of November 2 expressed in clear, concise and unequivocal terms the degree of Canadian interest and concern with regard to these cases. It was the State Department’s opinion that this note conveyed in a dignified and objective manner the great importance the Canadian Government attached to these matters and that it could not but impress the Court. In addition, the Department of State in its letter of transmittal conveying the Canadian note to the Solicitor General would express the view that the note clearly portrayed the importance of these cases with regard to the maintenance of friendly relations with Canada.

7. In the State Department’s view, moreover, it is not necessary (or perhaps even desirable) at this stage for the Canadian Government to attempt to provide documentary evidence and material intended to enlarge upon the general principles expressed in the note. To do so, indeed, might very well dilute the impact of the note which addressed itself to the principles involved. In any event, the states themselves are providing a mass of information on the material damage which would result to riparian interests from additional diversions from Lake Michigan. The new and unilateral diversions contemplated by the communities of Elmhurst, Villa Park and Lombard did not, in themselves, involve significant diversions of water and for the Canadian Government to attempt to measure these effects in real terms might, in the State Department’s opinion, tend to divert the Special Master’s attention from the basic premise of the Canadian note, which is that these contemplated diversions are wrong in principle, regardless of the amount involved since they are unilateral and potentially precedent-making.⁶¹

8. Carlson added that, in any event, the Canadian Government would always be able, should it so decide, to make further representations to the United States Government in this matter and that, all things considered, it would be desirable to let the present note stand as presenting the Canadian Government’s views.

9. As a result of this discussion and further consideration, we are inclined to agree with the Department of State that we should not, at this time, add to the representations we have already made, but let the note stand as expressing Canadian interest and concern on these cases. We will, of course, want to watch developments closely so as to ensure, as far as possible, that the Special Master and the Supreme Court can be in no doubt as to the Canadian position. At the same time, you will no doubt wish to consider whether there is anything that might be done in order to have available, should it be found desirable, any additional documentary evidence bearing on these questions which could be presented to the Court through the Department of State.⁶²

⁶¹ Note marginale :/Marginal note:
A very good point! [Auteur inconnu/Author unknown]

⁶² Note marginale :/Marginal note:
A thorough piece of research on diversions would enable us to decide what additional info. should be presented. [Auteur inconnu/Author unknown]

10. We would propose, if you agree, that if Olds or Vallance enquires as to the Canadian Government's attitude as a result of the considerations they have raised, we would inform them that, in the light of all the circumstances, it is not proposed to add anything at this time to the note which has been presented to the Department of State.

11. We are informed by the Legal Adviser's Office that the Department of State hopes to forward our note to the Solicitor General before the end of the year. It is now generally expected that the Special Master will wind up his hearings in the summer of 1962, probably take as much as a year to write his report to the Supreme Court, and that it might well be another year before the Supreme Court holds hearings and hands down its judgement – i.e., sometime in 1964.

A.D.P. HEENEY

8^e PARTIE/PART 8

TRAITÉ DU FLEUVE COLUMBIA
COLUMBIA RIVER TREATY

435.

D.M.F./Vol. 20

*Le sous-ministre adjoint des Finances
au ministre de la Justice*

*Assistant Deputy Minister of Finance
to Minister of Justice*

Ottawa, March 15, 1961

Dear Mr. Fulton:

Yesterday in Washington, Mr. Fleming had a talk with Mr. Ivan White (U.S. State Department) about matters affecting the Columbia River Development. I was present and he asked me to give you a report.

Mr. White, who had sought the talk with Mr. Fleming, said that what he was going to say modified to some extent things that had been said at the last [three]-day Canada-U.S. meeting.⁶³

The question concerned the disposal of the very large blocks of power to which British Columbia would become entitled as downstream benefits as Canadian storage facilities came into operation. While this matter had been referred to on a number of occasions it was not until the last meeting that the British Columbia authorities showed an active interest in the arrangements that might be made between the two Entities. Mr. Bassett of British Columbia had appeared particularly disturbed because ability to finance the large investments in storage dams would be related to B.C.'s ability to use their downstream benefits to good advantage immediately they became available. Since the blocks of power would be much too large to be absorbed suddenly within British Columbia, Mr. Bassett had been hoping that the United States would be able to purchase them at a reasonable price. The United States team, on the other hand, had indicated that they were very doubtful how far the Pacific North West could absorb the Canadian share of the downstream benefits in addition to their own share.

⁶³ Voir/See Volume 27, document 355.

It was against this background that Mr. White wanted to provide us, confidentially, with further information. He thought we would be interested to know that the new Administration was now considering a transmission line from the Pacific North West down to California. If this line were put in place the possibilities of absorbing Canadian power in large blocks would be substantially increased. On the other hand, this power would have to be made available over a long enough period to amortise the power line.

Mr. White emphasized that he was not making any proposal because what was involved here might be considered to imply Canadian export of power – a subject on which he knew the Canadian authorities were sensitive. However, the situation had changed since the last Canada-U.S. meeting and he wanted us to be informed on this new development. If Canada wished to take the initiative and ask for further discussions along the lines indicated these could be arranged. Since the changed situation might effect the coming financial discussions between Mr. Fleming and Premier Bennett, he was anxious that Mr. Fleming should be fully informed.

I am taking the liberty of sending copies of this letter to Mr. Fleming and also to Messrs. Heeney, Gordon Robertson, Ritchie and Parkinson.

Yours sincerely,

A.F.W. PLUMPTRE

436.

D.M.F./Vol. 20

*Le ministre des Finances
au premier ministre*

*Minister of Finance
to Prime Minister*

PERSONAL AND CONFIDENTIAL.

Ottawa, March 17, 1961

My dear Prime Minister:

As you know, I am to meet Premier Bennett in Victoria on Friday, March 24th, to discuss the financing of the Columbia River Development.

Two days ago I was made aware for the first time of discussions which I understand have been carried on between the Department of External Affairs and the Department of Northern Affairs and National Resources concerning a proposal that the Federal Government should give a guarantee with respect to the cost of developing downstream power and to underwrite either a loan or, in association with British Columbia, any excess in the cost of developing this power above 4.6 mills. I do not need to tell you that I am profoundly disturbed at any such suggestion. It appears that someone is endeavouring to draw the Federal Government deeper and deeper into underwriting the cost of various features of this development. I would suggest that before the matter is allowed to go further it should be discussed in Cabinet.

At the close of the meeting of the Joint Canada-United States Committee on Trade and Economic Affairs on Tuesday, Mr. Ivan White of the U.S. State Department spoke to me concerning some new features relating to the marketing of power to be developed in future. I enclose herewith a memorandum regarding the discussion.† Since the export of power is such a sensitive political question, I would think this question merits Cabinet consideration also. I should appreciate being instructed on it before my talks with Premier Bennett in case the question should be raised by him.

Yours sincerely,

DONALD M. FLEMING

437.

H.C.G./Vol. 3

*Le ministre des Finances
au premier ministre de la Colombie-Britannique*

*Minister of Finance
to Premier of British Columbia*

Ottawa, May 17, 1961

Dear Premier Bennett:

The Government has given careful consideration to the proposals contained in your letter to me of March 23rd,[†] as amplified in our discussions in Victoria on March 24th and 25th.

Under your first proposal the Government of Canada would be required to assume full responsibility for the financing and construction of the three storage dams, and of the transmission lines necessary to carry out the requirements of the Treaty with the United States. The Government of Canada would also be responsible for the compensation of the citizens whose properties would be flooded, and, would be required to pay to British Columbia the sum of approximately \$64,000,000, being the entire capital amounts which the Government of Canada would expect to receive from the United States by way of flood control indemnities. Finally, the Government of Canada would be expected to pay for the pre-engineering costs already assumed by the Province and, ultimately, to transfer the ownership of all the works and transmission lines without charge to the Province, as soon as the capital costs of the Government of Canada had been liquidated, but not later than fifty years hereafter.

The Government of Canada finds this proposal unacceptable. In the first place, we are dealing with a project which is designed to confer a very substantial benefit on one province alone; it is a self-liquidating project; and, provided a reasonable measure of assistance is forthcoming, as is the case, it is not beyond the capabilities of the province to handle. In view of these circumstances, it is not appropriate that the province should not share in the financial responsibility for the cost of development.

Furthermore, while the international character of the project is such as to warrant a degree of federal participation which is not ordinarily appropriate in projects of this kind, nevertheless it would be imprudent and impracticable for the Federal Government to assume responsibility for an undertaking which must be subject at every turn to various provincial controls – as in the siting of the installations, their design and construction, arrangements for the compensation to be paid, arrangements for the sale and perhaps transmission of power, and the rates charged or levied therefore. It will also be apparent that the success of the enterprise could be jeopardized by any decisions the Province might make in the future for the authorization of other power projects designed to serve the market which should properly be served by Columbia River power. It is the Government's view that these and other such difficulties and uncertainties could only be avoided if the Province had a stake in the enterprise at least comparable to that of the Government of Canada.

In the light of the factors mentioned above, it is not necessary to dwell on one other feature of your first proposal which also is unacceptable. You suggest that the Government of Canada should pay the whole cost of development, including the cost of compensation for flood and other damage, thus giving rise to charges which must be reflected in the overall cost of power, but at the same time you propose that there should be handed over to the Province of British Columbia for its retention the \$64,000,000 for flood control benefits, notwithstanding the fact that this sum has, in all our joint calculations hitherto, always been taken into account as reducing the sum requiring to be amortized and thus charged into the cost of power. In other

words, this particular suggestion would have the direct and immediate effect of increasing the cost of power to the consumers of British Columbia.

Under your second proposal the Government of British Columbia would assume full responsibility for the construction and financing of the projects but would require the Government of Canada to guarantee that the net cost of Columbia River power delivered to the Vancouver area would not exceed 4.25 mills per kwh. In addition, you suggest that the Government of Canada should arrange with the United States authorities to purchase any Columbia River power that might become surplus to the needs of the Province at a price not lower than 4.25 mills per kwh.

The Government of Canada is not able to accept this proposal, either. As to the first suggestion, a guarantee by the Government of Canada of the cost of power to be produced by a provincial entity would have the effect of reducing the incentive of the Province to build and operate the project in the most economic manner. While we rely upon the accuracy of the cost estimates arrived at jointly on the advice of the experts of the two Governments, it would be neither prudent nor practical for the Federal Government to give such a far-reaching guarantee of cost unless the Government of Canada, as guarantor, were to take exclusive control of all those factors in connection with construction, etc., which affect the cost of power. This is a situation expressly negative by your proposal that the Province assume sole responsibility in relation to these factors.

As to the branch of this proposal concerning the export of surplus Columbia River power, in the first place it should be pointed out that under your proposal the Province would be in a position to make all or most of the Columbia River power surplus to provincial requirements merely by authorizing the construction of power projects elsewhere in the Province and by preempting the natural market for Columbia River power for the benefit of such other producers. The conclusion to be drawn from this reasoning, in the view of the Government of Canada, is that the most appropriate form of federal participation or guarantee is one in which the Federal Government would share in the enterprise with the Province.

Secondly, as to the question of the disposition of Columbia River power generally, I should like to remind you that the discussions that took place with the Province during the period when the treaty negotiations with the United States were proceeding were all conducted on the assumption that the major portion of the power to be produced by the Columbia River projects, including that part of it which would be received from the United States in the form of downstream benefits, was intended for the use of consumers in British Columbia. The calculations of the benefits were not based upon any expectations or requirements concerning exports, and no thought was given by either party to export. What was in mind here was that such amounts of downstream power otherwise returnable to Canada as may be temporarily surplus for the periods immediately following the times when the projects are first brought into operation, might, with the approval of the Governments of Canada and the United States, be disposed of downstream during the periods when they may be surplus to British Columbia's requirements. It was never thought that these benefits should be disposed of primarily downstream, or that the power to be generated at site when Mica Creek or the other projects are machined and which, in combination with the downstream portion will represent cheap power, should be exported. On the contrary, we have always assumed that the benefits to be derived from the Columbia River projects in the form of low-cost power would be enjoyed by consumers in British Columbia.

There was never any thought on the part of the Government of Canada, or any representations from the Province, that the economic viability of the Columbia River project as conceived under the Treaty was in any way dependent upon the large scale export of power, as visualized in the proposal under discussion. The Government of Canada would therefore hope

that our present discussions looking towards an early agreement on plans for the financing and constructing of the projects, and the ratification of the Treaty, can be continued without considering at this time any departure in future from established export policy. Even apart from the historic objections of the Federal Government to the export of large quantities of hydro-electric power, the project is sound enough to warrant our two Governments proceeding with plans to finance and commence construction in conformity with the undertakings covenanted for in the Treaty, and hitherto approved by both our Governments.

As to the financing, ownership and management of the Columbia River project, the Government of Canada would like to suggest that we should continue our discussions, basing our plans upon the original offer of the Government of Canada, as modified by certain of your suggestions. As mentioned in my letter of December 6th last,⁶⁴ we would contemplate that a joint federal-provincial entity would be created and given powers that would enable it to perform such functions, amongst others, as would enable it to safeguard the general obligations of the Federal Government as well as those specific obligations imposed upon it by the Treaty and to receive and advance to the operating agency the financial contribution of the Federal Government. The Government of Canada would be agreeable to the issuance of securities by this joint entity, with equal federal and provincial guarantees behind them, for the purpose of financing the projects, if you prefer this method of federal financial participation to the one suggested in my letter of December 6, 1960.

The suggestion of a joint entity of this character is somewhat unique in Canadian experience, although I believe it holds out very good prospects for the people of British Columbia and Canada as a whole.

It seems to me that we should begin as soon as possible to work out together the details of a federal-provincial agreement, including those related to the proposed joint entity. With this in mind I would suggest that we resume our discussions of the various questions at issue as soon as possible. For my part I should be glad to meet with you as soon as mutually convenient arrangements can be made.

Yours sincerely,

DONALD M. FLEMING

438.

DEA/5724-2-40

Note du sous-secrétaire d'État adjoint aux Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

RESTRICTED

[Ottawa], May 9, 1961

COLUMBIA RIVER: TALKS BETWEEN MESSRS. UDALL AND FULTON

Secretary Udall indicated that his main purpose in calling on Mr. Fulton was to enable the Canadian authorities to say that the United States was "ready to go" and was in fact rather impatient to get started – if the Canadian authorities thought such an impression would be helpful in getting action out of British Columbia.

⁶⁴ Voir/See Volume 27, document 352.

2. Secretary Udall did not seem to be too disturbed at the possibility that ratification here might be delayed until the autumn, although the United States Administration had hoped that the exchange of ratifications might have taken place earlier. He intimated that a delay into next year could have the effect of requiring a re-examination by the United States of alternative possibilities to the proposed Columbia development.

A.E. R[ITCHIE]

439.

D.M.F./Vol. 20

*Le premier ministre de la Colombie-Britannique
au ministre des Finances*

*Premier of British Columbia
to Minister of Finance*

Victoria, June 9, 1961

Dear Mr. Fleming:

I am very glad that we were able to meet last month at the Seigniori Club in Quebec for further discussions relative to the development of the Columbia River; and I am equally appreciative of the fact that we have been able to put forth the viewpoints of our respective Governments in an atmosphere of cordiality.

As I advised you during our discussion at the Seigniori Club, the proposal of the Government of Canada outlined by you in your letter of May 17th is not acceptable to the Government of British Columbia.

This proposal suggests that discussions be resumed on the basis first outlined in your letter of December 6th last,⁶⁵ namely, that a joint Federal-Provincial entity be created to carry out financial arrangements for the development. You visualize the issuance of securities by the entity, and I must point out that such an arrangement would impose on British Columbia responsibility for 50 percent of any losses which may be incurred. As you know, I am most apprehensive that unless firm agreement is reached concerning the disposal of power through export, and unless financing can be arranged at an interest rate far more reasonable than that which now prevails, substantial losses may indeed be incurred.

I would add further, in amplification of our earlier discussions relative to the disposal in the United States of downstream benefits, that the sound approach would be to dispose of the total amount as firm power, for which a very favourable price could be negotiated. As I pointed out during our discussion, the sale of any lesser amount, or its sale on an interruptible basis, would present two dangers: first, the certainty of a lower price for the power and second, the burden of installing expensive transmission lines to return a smaller portion of downstream benefits to Canada.

I know I need hardly assure you that British Columbia is anxious to see the project commence at the earliest possible date. It is for that reason that on-site engineering is continuing, and it is for that reason, too, that the Water Comptroller of British Columbia has been authorized to call public hearings leading to the granting of the necessary water licences. But I cannot agree with your statement of May 17th that the development "will confer a very substantial benefit on one province alone," even if highly attractive financing can be arranged. As you know, great equipment purchases will require to be made in Eastern Canada, and immediately the actual construction is under way, income tax deductions will begin; of the

⁶⁵ Voir/See Volume 27, document 352.

amount collected, only 14 percent will be returned to British Columbia. Thus the benefits of the project will be truly national in effect.

For these reasons, I continue to feel strongly that the Federal Government should make a real financial contribution to this imaginative project, as it has done in the case of lesser projects elsewhere in Canada. I believe further that the \$172,000,000 investment by the Government of Canada suggested by you in our earlier correspondence should not take the form of an interest-bearing loan but should instead be an outright grant.

Looking forward to an early resumption of our discussions, I remain, with kindest personal regards,

Yours sincerely,

W.A.C. BENNETT

440.

H.C.G./Vol. 3

*Le ministre des Finances
au secrétaire d'État aux Affaires extérieures
Minister of Finance
to Secretary of State for External Affairs*

PERSONAL AND CONFIDENTIAL.

Ottawa, June 12, 1961

My dear Colleague:

I enclose herewith a copy of a very important letter dated June 9th which I have received from Mr. Leon Ladner outlining information he has received concerning Premier Bennett's plans in relation to power development in British Columbia. I have also sent a copy of this letter to the Prime Minister and our colleague Mr. Fulton.

I understand that you have now received from Mr. Ladner a lengthy memorandum accompanying his letter dated June 10th.† I have assured him that I will give the greatest care to studying the memorandum.

Yours sincerely,

DONALD M. FLEMING

[PIÈCE JOINTE/ENCLOSURE]

Lettre

Letter

PERSONAL AND URGENT PLEASE.

Vancouver, June 9, 1961

Dear Don [Fleming]:

Referring to my letter to you in connection with my concern about Mr. Bennett's plan and the political reaction, I have by accident obtained *some amazing information* which you should know about. I got most of it in confidence excepting that I am privileged to write you.

W.C. Mainwaring is President of the Peace River Power Development Company. I have known him very well for many years, and worked a lot with him some years ago on Rotary activities. He gave me the following information a few minutes ago:

He had several talks with Premier Bennett, one of which extended for two hours one evening. I asked him, as a friend, what were Mr. Bennett's plans, and this was the answer : Mr. Bennett is planning to take over the B.C. Electric Company and the East and West Kootenay Power Companies on the Columbia. He told my friend that the B.C. Electric under an item of deferred credit respecting taxes, etc., has an unimpaired reserve in excess of \$44 million. In 1959, it was \$35,900,000 and in 1960 \$44,456,000. Mr. Bennett said that taking over the B.C. Electric was a natural. The Government would buy the common shares at market value or a little better, costing about \$150 million, he had this sum tucked away. Government ownership would make the Company free of income tax and would make available the \$44 million which is one-third of the purchase price of the shares.

Mr. Mainwaring told him that the investors in London with whom he had spoken were frightened at such a threat. Mr. Bennett's reply was "That was no threat; that was a promise." (The conversation with Bill Mainwaring was over the telephone and I made notes at the time.)

Apparently, Premier Bennett has made an extensive study of the financial and economic situation of the B.C. Electric Company. He pointed out to Mr. Mainwaring that the electric revenue is \$67 million divided in equal proportions between the industrial on the one part and the domestic on the other part, that is about \$33 million each. He emphasizes the most important point of all that he would be able to *cut electric rates from 15% to 20%*. You will notice in the other memo that I wrote the figures which I had were 15% for domestic and 5% for commercial. These latter figures are authoritative.

Mr. Bennett's plan is to let the Company run as it is under the existing management. He believes that savings can be made in other respects, i.e., the use of Crown lands, the elimination of the Public Relations Department of some forty people, the reduction by two-thirds in the size and cost of the Public Utilities Commission which is really the rate-making Department of the Government, reduction in the cost of the Engineering Department as they would be combined with the existing Department of the Public Utilities Commission. He also figures that he could cut one or one and a half million dollars off operating costs.

I then asked Mr. Mainwaring what about the Peace River. His reply was that, of course, he would have to take over the Peace River project also.

In my opinion, Premier Bennett plans a major stroke of far-reaching economic and political consequences. His plan is to establish a second Ontario Hydro; further the development of the Peace River District and relieve the present precarious position of the investors by paying them out, and reduce domestic rates thereby building a tremendous political strength.

This amazing information referred to above, which came into my hands by accident, strengthens my original conviction that it is of the greatest importance politically (and that is the responsibility I am trying to discharge here) to outwit Mr. Bennett, move rapidly and establish a favourable position with the public by being the first to offer a plan to reduce the costs of electricity to the consumers and the industrialists. If we lose this chance, we lose a tremendous opportunity.

I want to assure you again that neither I nor my firm have any financial or other interest directly or indirectly in the B.C. Electric, Peace River or the outcome of the matters referred to in this letter. Nobody in or out of my firm knows of my correspondence with you on this subject excepting the Prime Minister, Howard Green and Davie Fulton. In this case I am only writing to you and am not sending copies of this letter to anybody else. Later, when my memo is completed, I think I should send it to the Prime Minister.

The complete memo which I will be sending to you in a couple of days on this matter is now nearing completion. It is authoritative, comprehensive and a factual statement of the whole matter. I suggest, as you of course will, that you discuss this matter as soon as you can with the Prime Minister, Howard and Davie. We have a great opportunity, in my judgment to

be far ahead of Premier Bennett. His plan of selling Columbia River power in the States where it is produced and bringing the money back here is a very serious political mistake on his part. Until our own plans have been acted upon so that he cannot withdraw, we should take no steps to discourage him in his plans to sell Columbia River power in the United States. This cheap power, in my judgment, must come to Vancouver.

With personal regards,

Yours sincerely,

LEON J. LADNER

441.

D.M.F./Vol. 20

*Le ministre de la Justice
au ministre des Finances*

*Minister of Justice
to Minister of Finance*

PERSONAL AND CONFIDENTIAL.

Ottawa, June 14, 1961

My dear Colleague:

I acknowledge with thanks receipt of your letter of June 12th enclosing copy of a very important letter of June 9th which Leon Ladner sent you, regarding Premier Bennett's plans vis-à-vis the B.C. Electric Company.

I felt all along, and indeed I have predicted, that unless we were a little more flexible in connection with the offer of financial assistance that we were prepared to make to the province, we were frittering away a marvellous chance of putting Mr. Bennett at a disadvantage. An increase in our offer to guarantee the cost of construction, to cover the whole cost including transmission lines as well as storage projects, would have had such a public appeal that it would have placed him at a permanent disadvantage. Because of this inflexibility, he has been firing all the shots and we have simply been doing the receiving.

He has, however, now made one grave blunder, as I see it – and in this I agree with Mr. Ladner – in that he has publicly committed himself to the permanent alienation to the United States, of all the downstream benefits to which Canada would be entitled under the Columbia River development. It would simply not be possible to sell these to the Americans at a price anything like the cost and value to us so that he is now in a position where we can expose him completely. To do so, however, we require to make a considered statement of our position on this point, coupled with a recapitulation of our position as to the extent to which we are prepared to help in the financing of the Columbia River project. Unless we do this quickly, Mr. Bennett may see the danger of his position, and with his usual skill may alter that position and deprive us of an advantage which we should have.

I therefore consider it is essential that we should have an immediate meeting of the Cabinet Committee on the Columbia River to review the whole situation. We have not had a meeting of this Committee for some months now, and I propose to ask our Colleague, the Honourable Alvin Hamilton, as Chairman of the Committee, to convene a meeting at the earliest opportunity. I do hope that you will be able to attend, and that you will agree with me that this whole matter requires immediate study with a view to assessing our position and making an appropriate recommendation to our Colleagues.

I am sending a copy of this letter to the Prime Minister, and to Mr. Green, to whom you sent copies of your letter.

Yours sincerely,
DAVIE FULTON

442.

D.M.F./Vol. 20

*Le secrétaire d'État aux Affaires extérieures
au ministre des Finances*

*Secretary of State for External Affairs
to Minister of Finance*

CONFIDENTIAL

Ottawa, July 21, 1961

My dear Colleague,

I have reviewed the draft letter to Premier Bennett enclosed with your letter to me of July 7.†

It seems to me that the first sentence of paragraph 2 implies that the proposed joint entity would have grater responsibility for construction than was suggested in your previous letters. Accordingly, I think the safest thing to do is to refer to your previous letters in order to avoid any misunderstanding. I also think that since Premier Bennett refers specifically to the issuance of securities by the entity, your letter should recall that this suggestion was an alternative to another method of federal financial participation suggested in your letter of December 6, 1960.

I think it would be unwise of us to invite Premier Bennett to suggest possible alternative sources of cheap power (as is done in paragraphs 2, 3, 10 and 13 of your draft), in view of the possibility that the British Columbia Energy Board will allege in its forthcoming report that Peace River power would be as cheap as Columbia power or cheaper. In my view, we should concentrate rather on the theme that the cheap power to be derived from implementation of the treaty should be for the benefit of consumers in British Columbia.

In summarizing Premier Bennett's objections, I think it would be useful to point out more clearly that he is suggesting that all of Canada's share of the downstream benefits should be disposed of in the United States. I think the summary of his objections should also refer to the suggestion, made near the end of his letter, that an outright grant of \$172 million should be made by the Federal Government.

With respect to export of power and the disposal of downstream benefits, I think we should confirm that the position of the Federal Government remains as explained in your letter of May 17. This would make it possible to telescope somewhat your arguments against the possibility of losses.

In your draft you make the point that we have estimated the probable effect on the unit cost of power of the possibility that the quantity of Canada's share of the downstream benefits in distant years may turn out to be lower than is now thought probable. I think we should also point out that these downstream benefits might be greater than anticipated, in which case the unit cost of Canada's share would be reduced. You also make the point on page 3 that even if the load growth in British Columbia expanded at the rate of 6% instead of 8%, the cost of the downstream benefit power would only increase by 3/10 of a mill. I am not sure that it is wise to use such specific figures at this time in your letter and suggest you enclose instead a copy of whatever summary of the report of the Montreal Engineering Company is to be made public.

With respect to the last paragraph of your draft, I suggest that the reference to the question of ratification should follow and not precede the reference to the question of an early agreement between our two governments.

Finally, I personally think that we should offer to share the transmission costs associated with implementation of the treaty, as well as the capital cost of creating the storages necessary to implement the treaty.

Attached for your consideration is a redraft of the proposed letter† to Premier Bennett. You will note that in redrafting your letter to take account of the comments above, some re-arrangement of the material in your draft has been made and the paragraphs are not therefore directly comparable. You will also note that I have suggested language regarding an offer to share in the costs of transmission within Canada.

I am sending copies of this letter and its enclosure to the Prime Minister and to our colleagues Messrs. Fulton, Dinsdale and Alvin Hamilton.

Yours sincerely,

H.C. GREEN

443.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], August 9, 1961

Present

The Minister of Finance and Acting Prime Minister (Mr. Fleming) in the Chair,
The Minister of Justice (Mr. Fulton),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Agriculture (Mr. Alvin Hamilton),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Minister of Forestry (Mr. Flemming),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

EXPROPRIATION BY PROVINCE OF BRITISH COLUMBIA;
B.C. ELECTRIC CO. AND PEACE RIVER DEVELOPMENT CO.

30. *Mr. Fulton* reported that the government of British Columbia had taken over the B.C. Electric Company and property of the Peace River Development Co.

The expropriation of these companies has been based on two assumptions:

(i) the first was that the Peace River power would cost over 6.5 mills per kilowatt if operated by a private company but only 4 mills if operated as a public undertaking.

A dissenting view had been expressed by the chairman of the provincial public utilities who stated that in his opinion the evidence was inadequate to support an opinion of this character.

(ii) The second was that the estimated cost of the Columbia River power was 4.1 or 4.3 mills. These figures had been arrived at by excluding an item of \$65 million compensation for flood control benefits. Another item excluded by the province in determining costs was the price reducing effect of tying in the cheaper power from Kootenay. This item was said to have been eliminated on the ground that no decision had been made as to how the Kootenay power would be distributed.

Mr. Bennett had instructed the B.C. Electric to develop the Peace River immediately. Was this bluff or was it genuine? He was capable of meaning it and of going ahead with the Peace River development and dropping the Columbia project altogether.

The Federal government had an interest in the Peace River development. It could rightly object to an application by the B.C. government and not permit the development while the plans for the international project were underway.

In any case, the development of the Peace River at a cost of \$650 million would not be economical without disposal of the surplus power. It could not be operated in a small way – it was a case of all or nothing. The overhead was too high for partial operation.

The Columbia River project, meanwhile, had bogged down. The Federal government had offered to pay half the cost of storage dams – about \$170 million – out of a cost of \$450 million for the total project. Mr. Bennett said that this was not enough and that he needed more money, yet he was prepared to spend \$650 million on the Peace River.

In expropriating these companies he had seized the initiative. The Federal government's position, because of the technicalities involved, was not generally understood. Mr. Bennett had now created the impression that he was simply fed up with delays and was going it alone.

The public should know that the Columbia River would provide cheaper power than the Peace River; that if the Columbia was not developed it would be because of Mr. Bennett's attitude. If B.C. went on its own way it would be to the prejudice of its own people.

31. *Mr. Fulton* felt that the time had come to release the report of the consulting engineers employed by the Federal government.

This would produce a demand for publication of the report of the B.C. Energy Board, so that both reports might be compared.

32. *During the discussion* the following points were raised:

(a) The non-recovery of downstream power benefits did not involve the export of power and there would be no need for export permits as the electricity would be generated on the U.S. side.

(b) For the B.C. side of the Columbia project to produce enough for its requirements would take ten years.

(c) Under Mr. Bennett's plan B.C. would export the more expensive power. It was felt that the Federal government should not commit itself on the question of export of electricity nor state that it has been a traditional policy not to allow the export of electricity. The Federal government was the first to establish an Energy Board. No application could be submitted to it unless there existed a contract for the sale of the power to be exported. It was not likely that the U.S. would take power at 6 mills per kilowatt hour.

(d) Some Ministers said that there had been much resentment in financial circles over the expropriation of the Peace River Development Co. and that B.C. would certainly experience extra difficulty in getting the required \$650 million.

(e) Some said that the Federal government should agree to pay not only one-half of the storage costs but also one-half of the cost of transmission lines. This would mean \$172 million for storage and some \$57 million for the lines.

(f) B.C. had been officially represented throughout the meetings of the Advisory Committee by no less than a Deputy Minister who was also Chairman of the B.C. Policy Liaison Committee. Mr. Fulton, as Head of the Canadian Negotiating team, had written to the provincial representative before the signing of the treaty saying that the signing of the treaty will therefore be with “your knowledge and approval.” Acknowledgement was made to this letter without any objections being voiced.

33. *The Cabinet* noted the statement by Mr. Fulton, as Head of the Canadian Negotiating Team on the Columbia River development, on the action taken by the B.C. government to expropriate the B.C. Electric Company and the Peace River Development Company and the reasons given publicly for this action.

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444.

H.C.G./Vol. 3

*Procès-verbal d'une réunion du Comité du Cabinet
chargé des problèmes concernant le fleuve Columbia*

*Minutes of Meeting of Cabinet Committee
on Columbia River Problems*

CONFIDENTIAL

[Ottawa], August 25, 1961

Members Present:

Secretary of State for External Affairs (Mr. Green)
Mr. Fulton
Mr. Harkness
Mr. Dinsdale

Others Present:

Mr. Fleming
Mr. J.F. Parkinson, Department of Finance
Mr. K. Kristjanson, Department of Northern Affairs and National Resources (Secretary).

The meeting was called to consider the position of the federal government in light of the fact that Premier Bennett is attempting to put the federal government in the position of holding up development for denying exports.

It was thought that Premier Bennett could not sell large quantities of power at reasonable prices. This belief is based on discussions with the U.S. negotiators when the Treaty was being drafted, at which time it appeared that they would not pay more than 3 mills per kwh, as well as recent informal discussions with U.S. officials. It was thought desirable to get as much information as possible, on an informal basis, about the potential market in the U.S. It was subsequently suggested that an official of the Department of Finance, Mr. Kennett, should go to the U.S. Pacific Northwest to make informal enquiries about market potentials. The Minister of Finance thought this matter should first be cleared with the Prime Minister. If the Prime Minister agreed with this procedure Mr. Fleming would also agree.

Some ministers thought consideration should be given to saying as little as possible publicly during the next two months.

Mr. Fulton reported that a study is underway to ascertain the federal interest in the development of the Peace River.

The implications of the B.C. Energy Board report were discussed.

It was agreed that:

(1) Subject to the Prime Minister's approval informal enquiries should be made in the U.S. Pacific Northwest about the potential market in order to be in a position to counteract Mr. Bennett's case.

(2) Officials of the Department of Finance should prepare two drafts of a letter to Mr. Bennett for Mr. Fleming's signature. One should attempt to meet the points raised in Mr. Bennett's last letter to Mr. Fleming, whereas the other should be shorter and might state that the B.C. Energy Board Report had thrown new light on the overall situation. It should point out, however, that nothing in the report seemed to change the relative position of the Columbia. Therefore the federal government would be interested in knowing whether the Premier had any new views on the matter of proceeding with the development of the Columbia River. These two drafts were then to be circulated to Committee members for comment before clearing with the Prime Minister.

(3) The Montreal Engineering Company should be asked as soon as possible to provide an analysis of the figures in the B.C. Energy Board report and indicate the comparative costs of Columbia and Peace River power.

(4) The Department of Public Works should be asked to withhold any licence for development on the Peace River.

K. KRISTJANSON
Secretary

445.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], August 29, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Defence (Mr. Harkness),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Secretary of State (Mr. Dorion),
The Minister of Northern Affairs and National Resources (Mr. Dinsdale)
The Minister without Portfolio (Mr. Halpenny).
The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge).

...

COLUMBIA RIVER NEGOTIATIONS
(Previous reference August 9)

12. *The Minister of Finance* said that, in view of the recent takeover of the British Columbia Electric Company by the provincial government, consideration should be given to the question whether or not the treaty with the United States should be ratified.

13. *During the discussion* the following points were raised,

(a) Two Ministers of the B.C. government had given assurances that the province would support the treaty, and the recent statements and actions by the provincial premier were incompatible with those assurances.

(b) No time limit for ratification was mentioned in the treaty. Secretary Udall was pressing for ratification, however, and it seemed likely that the U.S. would arrange for alternative sources of power unless construction of the Columbia development could begin in the spring of 1962. Thereafter, the co-operative development of the Columbia River might be no longer possible.

(c) Some said that the provincial government wished to sell the whole of the downstream power benefits to the United States, and to use the profits for the financing of other provincial schemes. The purpose of the Federal government in supporting the Columbia development, on the other hand, had been to provide cheap power to the Vancouver area. In view of the position taken by the provincial government, the Federal government should not contribute toward the cost of the Columbia development and should not ratify the treaty.

(d) The Department of Public Works had been requested by the Cabinet Committee on the Columbia to withhold the issue of a permit for the development of the Peace River if applied for.

(e) If the province did not alter its position on the Columbia development, the Federal government should consider taking over the construction and operation of the projects involved.

(f) It had been proposed that a federal official be sent to the western U.S. to explore future power markets. This should not be done because such a survey would almost inevitably attract public attention and would give the impression that the Federal government was considering a reversal of its policy on the export of power.

(g) The Federal government would suffer a serious setback if it did not ratify the treaty.

14. *The Cabinet* agreed to give further consideration, at another meeting of the Cabinet, to the question of the ratification of the treaty with the United States on the Columbia River development.

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446.

D.M.F./Vol. 20

*Le conseiller économique de l'ambassade des États-Unis
au ministre de la Justice*

*Economic Counselor, Embassy of United States,
to Minister of Justice*

Ottawa, October 18, 1961

Dear Mr. Minister:

I understand that the enclosed statement was prepared by the Bonneville Power Administration in response to informal requests from you and officials of the Province of British Columbia.

The Department of State has requested me to forward it to you on a confidential basis and to say that it is being given to British Columbia officials on the same basis.

Sincerely yours,

FRANCIS A. LINVILLE

[PIÈCE JOINTE/ENCLOSURE]

Déclaration écrite de la Bonneville Power Administration

Draft Statement by Bonneville Power Administration

The Bonneville Power Administration has contacted utilities both in California and in the Pacific Northwest as to their possible interest in purchasing power from British Columbia. Our discussions with them indicate that there is a market for such power in the United States, but that the quantity that the utilities would be interested in purchasing and the price they would be willing to pay depends on the terms and conditions of sale at the time of a firm offer. All utilities are proceeding with plans for new generation to meet anticipated load growth. As these plans are firmed, interests in outside purchases of necessity will be modified. In any event it appears that if part of the benefit power is initially used in British Columbia, marketing in the United States becomes simpler in that plans are currently being made by utilities in the United States to meet the load growth of the middle 1960s.

Canada's share of the downstream benefits is estimated at 916,000 kilowatts in 1966 with Arrow Lakes and Duncan and increasing to a total of 1,300,000 kilowatts in 1971 with the addition of Mica. The average load factor of this power would be about 60%. Public agencies in California, including agencies of the State, estimate that they could use about 500,000 kilowatts of Columbia Treaty power in 1966 and over 1,200,000 kilowatts by 1971 if this power were available until 1985. Replies were not received from all private utilities but, after present resources are used and assuming the construction of the Wells project, for which license is expected shortly they will require around 500,000 kilowatts in 1966 and over 1,500,000 by 1971. Public agencies in the Pacific Northwest were not interested in power available only until 1985.

No definitive data can be given on price at the present time. The value of the power would vary substantially according to the terms and conditions of sale. Also, potential purchasers are naturally unwilling to state the maximum price they would pay until actual negotiations are undertaken and concrete proposals considered. Important factors affecting the price would be:

1) *Term*. The longer the term the power is available, the higher the price the purchaser will be willing to pay. This is largely due to the anticipation of continued inflation. If this power has to

be replaced from new generation sources in the future then it is anticipated that alternative costs would be higher than if steam plants or hydroelectric plants were built today.

2) *Rate of Pullback*. Some utilities express concern at the pullback of all power in one year. If the pullback could be arranged over a period of time, it appears that some utilities would be willing to pay a somewhat higher price than in case all of the power were withdrawn at once.

3) *Load Molding*. Utilities have expressed a desire to have power fit their load shape after the use of other resources. If the energy can be arranged so that California utilities secured more of summertime energy and Pacific Northwest utilities more of wintertime energy, it appears that the power would have more value than if it were sold at a constant amount each month of the year. Bonneville could perform this load mold for British Columbia.

4) *Escalation Clause*. Most utilities said they would not buy power with an escalation clause unless there was a relatively low initial price. (The fixed costs involved in their own power plants would not, of course, be subject to any escalation.)

5) *Load Factor*. We discussed with utilities sale at about 60% load factor. Some would prefer a lower load factor, some a higher load factor. Adjustments among utilities could be made. It would appear that since utilities would be buying two commodities – capacity and energy – that demand and energy would be preferable to a kilowatt hour rate.

6) *Price*. There was considerable variation among utilities in considering price based on different assumptions. Price will, of course, depend on the situation at the time power is offered on a firm basis. All utilities indicated that they would pay less for purchased power than from alternative sources that they would own. Ownership would probably give them the resource for a longer period of time. In case of private utilities, ownership would give them other advantages such as inclusion in their rate-base upon which their rate of return is calculated.

Sales would be between British Columbia and each utility. The Bonneville Power Administration does not have authority to purchase this power. The Bonneville Power Administration would be willing to make arrangements for the sale of the power, load molding and wheeling. In the case of Pacific Northwest utilities, the transmission grid is in existence and is continually expanding to meet area needs. Sales in California would depend on construction of high voltage transmission facilities interconnecting California with the Pacific Northwest. A task force from the Department of the Interior will report shortly on the feasibility of such an interconnection.

447.

DEA/5724-2-40

*Le ministre à l'ambassade aux États-Unis
au sous-secrétaire d'État adjoint aux Affaires extérieures*

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

PERSONAL AND CONFIDENTIAL.

Washington, November 2, 1961

Dear Ed [Ritchie],

COLUMBIA RIVER

We have studiously avoided raising the question of the Columbia River Treaty with United States officials and apart from passing references to current difficulties in Canada, American officials had not raised the question with us. There had, up till now, also been no significant reference to the Treaty in the Washington press. On October 30, however, the attached article,

appeared in the *Washington Post*.⁶⁶ While as far as I know no enquiries on the article have reached the Embassy, the State Department has had calls from reporters and Congressmen about it.

John Sharpe was in talking to Del Carlson of the Canadian Desk about another matter on October 31 and Del had a copy of the item on his desk. They discussed the article and agreed that there were two or three pretty glaring inaccuracies, but Del thought that, on the whole, it was a fairly reasonable layman's account of a very complicated situation. One point he took rather more serious exception to was the statement in paragraph 3 that United States officials had recently rebuffed "a bid by Liberal minority leader Lester Pearson that the sixty-year Treaty be rewritten and set next March as the deadline for Canada to ratify it." In the ensuing conversation, Del made a number of points which I think you will find of interest.

In the first place, he said that as far as he knew, no United States official had commented on Mr. Pearson's statement which he said was, in any case, inaccurately reported on in the article. Mr. Pearson had evidently made a statement at a recent Canadian Club meeting in Vancouver⁶⁷ and, according to Carlson, what he apparently said was that if the Treaty were to be renegotiated, it would be desirable to make the provisions for a time-table of construction in British Columbia more flexible and to include a more specific statement on the allocation of downstream benefits. Carlson stated quite categorically that there was no inclination in the United States to reopen the Treaty. To do so, he said, would be a retrograde step. He thought Mr. Fulton was aware (from conversations he had had with Luce, Head of the Bonneville Power Authority and from his meetings with Carr, Deputy Under Secretary of the Interior at the Spokane meeting last week) that the United States, for its part, was prepared to be as helpful as possible on the question of downstream power benefits. He said the United States was prepared to consider purchasing Canadian downstream power if this would be helpful and, on the other hand, was equally prepared not to accept it or to help work out a compromise on purchase of part of the downstream power benefits if this approach commended itself to Canada.

Carlson said United States officials were very conscious of the difficulties the Canadian Government faced but that they were naturally anxious that the Treaty go forward as quickly as possible. While there was no question of a time limit, as suggested by the article, he thought that if there were no signs of progress by the time Congress reconvenes early in January, there would be questions raised by interested Congressmen and pressure would grow for the United States to proceed with some of the projects on its own.

Carlson was concerned that it might be necessary, in the absence of Canadian ratification, for the United States to proceed with certain projects associated with developments on the Columbia River and that a stage might very well be reached where it would no longer be possible for the United States to implement its part of the Treaty obligations. He said that one could conceive of a situation where certain projects were so far advanced that a point of no return could be reached where it would simply not be possible to reorient the work so as to fit into the pattern of the developments envisaged by the Treaty. There is apparently growing pressure in the northwest states to go ahead with some of these projects. Undoubtedly, there is more public interest and enthusiasm for these works, engendered by the publicity attendant on the Treaty negotiations, which made the public more aware than they otherwise would have

⁶⁶ Voir/See A.J. Glass, "Canadian Politics Doom Columbia River Treaty," *Washington Post*, October 30, 1961, p. A22.

⁶⁷ Voir/See "Halt Power Battle: Negotiate Again with U.S., Says Pearson," *The Province*, October 3, 1961, p. 17.

been, of the benefits to be derived from carrying out reclamation, irrigation and flood prevention work.

Carlson clearly implied that officials would soon have to consider what approaches might be made to the Canadian Government with regard to Canadian failure to ratify the Treaty. Sharpe got the impression that no consideration had yet been given to what approaches, if any, would be made, but clearly people's minds are moving in that direction and in the absence of progress in Canada, I think we can expect some kind of representation from the United States in the not too distant future, and probably before Congress reconvenes. I would guess that such an approach might, at least in the first instance, be limited to obtaining from the Canadian Government a statement of the current situation which could be used to answer Congressional and other enquiries. In this connection, Carlson did remark that the United States was, at the moment, without an Ambassador to Canada. He wondered somewhat ruefully whether Merchant, on the basis of experience gained in helping to resolve the current dispute between Afghanistan and Pakistan, might be able to make his good offices available in helping to settle differences between British Columbia and Ottawa!

Carlson said he would not be surprised if some of the less responsible newspapermen didn't very soon start taking advantage of the situation to get a few headlines and exert pressure on Congress. Presumably, some of these articles might be inspired by special interests in the Pacific northwest. If this did happen, the State Department would undoubtedly have to respond to some pretty pointed enquiries on what was going to happen.

Although this was an informal conversation, John Sharpe thinks it was "staged" since the suggestion he see Carlson on the other matter "and sound him out on the Carr 'Spokane' speech" came from the Legal Adviser's Office and not at our initiative. I thought you would want to know that we might expect developments on the Columbia front. We will continue our passive role in all this and keep you informed of developments. We have asked Murray Cook to think for us, if possible, copies of recent statements by Mr. Fulton outside the House and anything you are able to give us on the situation will be very much appreciated.

Best wishes.

Yours sincerely,

SAUL [RAE]

448.

DEA/5724-2-40

*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], November 27, 1961

COLUMBIA RIVER TREATY

We know from public and private statements that the United States authorities are becoming increasingly concerned with the delay in ratification of the Columbia River Treaty. If it is not ratified by next spring higher cost alternatives might have to be adopted for meeting the foreseeable power and flood control needs of the Pacific Northwest States. The reasons for delay are well understood in the United States. But recent events have led me to review official United States actions and statements to determine whether they appear to support Premier Bennett's position on the sale in the United States of Canadian downstream power benefits under the Treaty.

About ten days ago Premier Bennett met and talked briefly with President Kennedy at a dinner in Seattle in honour of Senator Magnuson. While in Seattle, Premier Bennett was reported to have talked, as well, to the Head of the Bonneville Power Administration and the Manager of its Washington office. We have been assured in confidence by the State Department that the United States Government had nothing to do with the invitation and that there was no substantive conversation on the Columbia Treaty between the President and the Premier. President Kennedy asked that this not be attributed to him; but there was no objection to our saying that we had no reason to believe that there was any substantive conversation on the subject.

Last week United States Secretary of the Interior Udall was interviewed by the Press in Seattle. Reports of this press conference were varied. According to one report he stated that United States officials have been discussing the treaty formally with Ottawa and informally with Premier Bennett. In another he was alleged to have said that he had no doubt that the sale to the United States of Canada's entitlement to power under the Treaty would be approved by Ottawa and that Canada's concern about difficulty over recapture of the power sold to the United States under long term contracts was "stuff and nonsense." On his return to Washington Mr. Udall issued the following statement in response to requests for clarification of his Seattle remarks:

"Under the terms of the proposed Canadian Treaty providing for joint development of the upper reaches of the Columbia River, it would be the responsibility of the Canadians to decide what part of their share of the power they wish to market in the United States and under what terms and conditions. It would, as I stated in Seattle earlier this week, be nonsense for anyone to take a position that the United States would not honor any commitment made to return the power to Canada if the Canadians so desire, at the expiration of the agreed contracts.

Our Government looks forward to early ratification of the Treaty by Ottawa. It is our position that the United States is willing to work out any reasonable arrangement for the disposition of Canada's share of the power in the United States after the Canadian Government has ratified the Treaty."

I think it is clear therefore that Mr. Udall's remarks in Seattle and Washington were unfortunate and can be interpreted as favouring Premier Bennett's position.

As you know Premier Bennett has stated that Canada's share of the downstream power benefits should be sold in the United States and that he believes that it could be sold for 5 mills per kilowatt hour. We have no reason to believe that there is a ready market for this power at the price quoted. In fact a confidential report prepared last month by the Bonneville Power Administration gives no precise answers to the question of the extent of the market in the United States for British Columbia power or the price at which such power might be sold. Market possibilities would be better for long term contracts and it would appear that utilities in California might be more interested than utilities in the Pacific Northwest. However the report does not confirm that all of the downstream power benefits could be sold in the United States at 5 mills per kilowatt hour, at least during the early years of development. While this report is confidential Mr. Luce, Head of the B.P.A., stated publicly some time ago, according to the press, that his organization had promised to obtain data regarding power markets in the United States for the British Columbia Power Commission. We also know that British Columbia power officials have discussed the possibility of sales to California with public utilities in that State. B.P.A. is also very interested in an intertie with California for the sale of secondary interruptible energy. This power is now being wasted in the Pacific Northwest, and B.P.A. is reported to be losing money. Mr. Luce was reported last August as having said that this interruptible power would be sold to California at 2 mills but that this would not compete with

“first power” from British Columbia in the California market. In the same interview he was also reported as saying that if, as a means of implementing the Columbia Treaty, British Columbia arranged to sell firm power in the California market the B.P.A. system would cooperate in its transmission. On the other hand Mr. Luce also indicated that he would not be interested in Peace River Power in the absence of the Columbia development but that it would be necessary for the United States to construct its own projects which “while more costly than the Columbia River storage sites in Canada, are nevertheless cheaper than Peace River power, in addition to providing flood control needs.” In June Mr. Luce was quoted in the press as saying “that if the Canadians find it advantageous to market in the United States their share of the power developed under the Treaty, then we will do all we can to help them.”

Mr. Luce’s statements can be interpreted at least as not discouraging Premier Bennett’s conviction that there is a market for British Columbia power in the United States and, so far as we are aware, there have been no official denials that it could be sold at 5 mills. To the extent that both B.P.A. and British Columbia are interested in the California market, B.P.A. studies of and enthusiasm for an intertie with California give further encouragement. In addition while B.P.A. apparently has no present authority to purchase power from Canada or other sources it has been reported that such authority will be sought by means of an amendment to the B.P.A. Act. The Northwest Public Power Association recently endorsed this proposed action and the following extract from an article in the *Financial Post* for November 25 commenting on it is of interest:

“The likely buyer of Columbia power would be the Bonneville Power Administration, but so far Bonneville has no federal authority to buy such power from Canada, and it cannot state its desire yet without seeming to be aiding Bennett in his pressure against Ottawa.

Bonneville did, however, ask the U.S. government last week to enact the necessary legislation to put it in position to negotiate contracts immediately – when Ottawa and Victoria agree.”

There have been press reports that some unidentified United States experts would favour a revision of Canadian federal policy to allow long term export of surplus Canadian power to the United States, but to the best of my knowledge only one such statement has been attributed to a direct source. Mr. Howard Morgan, United States Federal Power Commissioner, was reported in August by the *Christian Science Monitor* as suggesting that the Ottawa Government should re-examine its policy against the export of power. He was also reported as saying that the United States should work to expedite the completion of a high voltage transmission intertie between British Columbia and California to siphon off surplus Canadian power, on a replaceable basis, to United States industry.

As the result of events in the past ten days the State Department and presumably Mr. Udall are even more aware of our concern over any actions or statements which might be interpreted as interference in Canadian affairs. I think however that we can expect the United States Administration and Congressmen to be subject to increasing pressure by the press and special interest groups and press accounts of the most careful replies to specific questions may create further difficulties for us.

H.C. G[REEN]

449.

D.M.F./Vol. 20

*Le premier ministre de la Colombie-Britannique
au ministre des Finances*

*Premier of British Columbia
to Minister of Finance*

Victoria, November 27, 1961

Dear Mr. Fleming:

In view of our previous discussions concerning the implementation of the Columbia River Treaty, I thought you should be advised, as the year end approaches, of British Columbia's endeavours to see the Treaty projects take shape.

First, licensing procedure under the "Water Act" of this Province were undertaken by British Columbia Power Commission commencing the 24th day of June 1961, and hearings were conducted by the Water Comptroller, Mr. Paget, commencing the 18th day of September and will conclude in all likelihood before the end of this year. The Water Comptroller's Report, we trust, will follow shortly thereafter.

Secondly, the massive engineering required to give definition to the Treaty projects has been under way since November 1960. Three consortiums of engineers have been put to work, each concerned with one of the three Treaty projects involving Arrow Lake storage, Duncan Lake and Mica Creek. By the end of this calendar year \$4,400,000 will have been expended by British Columbia for these purposes and it is now to be anticipated that definitive engineering will be virtually complete on Duncan Lake by early 1962, Arrow Lakes by mid-1962 and Mica Creek early 1963. Detailed engineering will proceed concurrently with construction when authorised.

The most important question remaining, among a number posed by the Treaty, arises under provisions of Clause 8 of the Treaty and involves the contemplated disposition of Canadian downstream benefit electricity in the United States. I refer especially to this matter among the various factors affecting finance, because you are aware that British Columbia feels that the exchange of notes establishing sale of downstream benefits pursuant to Clause 8 is the key to Canadian financial well-being. Canada's position is, of course, in effect to be assumed and discharged by British Columbia. Therefore this matter is of paramount importance to us in arranging finance.

My purpose in writing is to suggest that time and events are becoming appropriate for our respective financial officers to bring themselves up to date on this whole matter. I would appreciate learning from you a date which might be suitable for a further meeting and would be pleased to suggest, if it were convenient to you, that you and your advisors might meet in Victoria, but if this is not possible I shall be glad to meet you in Ottawa. While I am very busy preparing for the opening of our own Legislature, and with the preparation of the Budget, yet I feel that the Treaty should be ratified as soon as possible, and therefore, will be pleased to go to Ottawa.

Kindest personal regards.

Yours very truly,

W.A.C. BENNETT

450.

H.C.G./Vol. 4

*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 28, 1961

COLUMBIA RIVER: TALKS BETWEEN PREMIER BENNETT
AND BONNEVILLE OFFICIALS

Mr. Willis Armstrong of the U.S.A. Embassy, telephoned this afternoon to read over to us some extracts from the informal record which U.S.A. officials kept of the recent conversation between Premier Bennett and Mr. Luce, the head of the Bonneville Power administration (and various other U.S.A. officials including Dubrow and Kinney). It seems clear from these extracts that the Bonneville officers behaved themselves quite correctly and gave very little satisfaction to Premier Bennett.

2. Premier Bennett apparently stated quite explicitly that he would like to sell all downstream benefits to the U.S.A.

3. Mr. Luce stated that, apart from anything else, the regional solicitor for Bonneville doubted that Bonneville could legally engage in the purchase of such power from Canada. Although the departmental solicitor in the Interior Department in Washington, D.C., thought a legal argument could be made for Bonneville's participation in such purchases, Mr. Luce considered that the B.C. authorities should regard the legal position as uncertain, to say the least.

4. Moreover, the private power interests in the Pacific North West might not be greatly interested in committing themselves to purchase power in view of their involvement in the Middle Snake development.

5. The Bonneville people said that they were in no position to state that the Canadian downstream benefits would be purchased by the U.S.A. or to agree on any price until such time as the Canadian Federal Government had given its permission for such sales.

6. During the course of the conversation, Premier Bennett is reported to have expressed an interest in assistance from the U.S.A. Government with the financing of the projects in Canada. The U.S.A. side mentioned that an offer of financial assistance had been made at one stage during the negotiations but had been turned down by the Canadian negotiators. Premier Bennett seemed to be unaware of this earlier exchange regarding the possibility of U.S.A. financing.

A.E. R[ITCHIE]
for Under-Secretary of State
for External Affairs

451.

DEA/5724-2-40

*Le secrétaire d'État aux Affaires extérieures
au ministre de la Justice*

*Secretary of State for External Affairs
to Minister of Justice*

RESTRICTED

Ottawa, December 1, 1961

My dear Colleague,

I am enclosing for your information and comments a copy of Note No. 124 of November 30, 1961 from the United States Embassy concerning recent statements about the Columbia River Treaty.

The statements made in the Note seem generally accurate in most respects. As you will recall, the text of Mr. Udall's statement of November 24 was given to you by telephone as soon as it was received in this Department, and later that day was dictated over the telephone to your secretary. Insofar as the United States Embassy's statement of November 29 is concerned, I understand that copies were delivered to your office and to this Department by the Embassy at about the same time that it was released to the press. The one respect in which the Note is not strictly correct is in its references to the Canadian Press story of November 27. In that instance the United States Embassy did mention the story to us at the time but warned us that it might not be accurate since it was apparently based on a private interview rather than a formal press conference. Accordingly, they did not suggest that this Canadian Press story could be taken as clarifying Secretary Udall's original statement.

In my view, the best course would be to simply acknowledge receipt of the Embassy's note and the two statements enclosed with it. Accordingly, I attach for your comments a draft reply.†

Yours sincerely,

HOWARD GREEN

[PIÈCE JOINTE/ENCLOSURE]

*Note de l'ambassade des États-Unis**Note from Embassy of United States*

NOTE NO. 124

Ottawa, November 30, 1961

The Embassy of the United States of America presents its compliments to the Department of External Affairs and has the honor to refer to a conversation between the Honorable E. Davie Fulton, Minister of Justice of Canada, and the Ambassador of the United States of America, which occurred on November 23. During that conversation the Minister of Justice asked the Ambassador for clarification of certain press reports concerning statements by the United States Secretary of the Interior, the Honorable Stewart Udall.

It will be recalled by the Department of External Affairs that, in response to a press statement issued late in the day on November 23 by the Minister of Justice of Canada, the Secretary of the Interior of the United States issued a statement, copies of which were furnished to the Department of External Affairs on November 24, with the request that the Minister of Justice be informed. The Department of External Affairs will also recall that the Embassy drew to its attention on November 27 a Canadian Press story of an interview with the Secretary of the Interior, which provided further clarification of the reports about which the

Minister of Justice had inquired. The Embassy suggested at that time that the Department might wish to draw this report to the attention of the Minister of Justice.

On the morning of November 29, there came to the attention of the Embassy press and radio reports of a speech made by the Minister of Justice at Prince George, British Columbia, in which references were made to statements alleged to have been made by the United States Secretary of the Interior.⁶⁸ On that same morning the Embassy received from the Departments of State and Interior in Washington a statement for transmittal to the Canadian Government, providing further clarification in response to the inquiries which the Minister of Justice had made on November 23. In view of the public interest in the matter evoked by the press reports of the speech of the Minister of Justice, the Embassy was instructed to release the statement to the press and other media coincidentally with the provision of copies to the Government of Canada.

Copies of the statement of November 24 and of the Embassy's press release of November 29 are transmitted with this note.† The Embassy would appreciate receiving an exact text of the speech delivered by the Minister of Justice at Prince George, British Columbia, on November 28.

452.

DEA/5724-2-40

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

PERSONAL AND CONFIDENTIAL. RESTRICTED.

Ottawa, December 8, 1961

My dear Colleague,

I acknowledge with thanks receipt of your letter of December 1st enclosing copy of U.S. Embassy Note No. 124 dated November 30, together with a draft suggested reply, dealing with Secretary Udall's statements and my Prince George speech on the Columbia River.

By way of background for your consideration in connection with your reply, or for use in any subsequent conversations or correspondence, I think I should outline to you the effect of my conversation with the American Ambassador on November 23rd.

He attended in my office together with Mr. Willis Armstrong and I explained to them both the reason for our very grave concern over the reports that had appeared in Seattle about Secretary Udall's statements there. There were three statements reported:

1. That Canada's concern over difficulty in recapturing power sold on long-term contract was "stuff and nonsense."
2. That he was "confident" that the Canadian Government would agree to such sales of power.
3. That they had had official talks with Ottawa and talks with Premier Bennett "on the side."

These reports had appeared first in the Seattle *Post-Intelligencer* under the by-line of Fergus Hoffman. Actually, members of the Press Gallery here had been in touch with Mr. Hoffman and he had confirmed that the Secretary had said these things at a press conference,

⁶⁸ Voir/See "Columbia A-Boil: Fulton Rakes Bennett, U.S.: Fury of Attack Stuns Ottawa," *The Province*, November 29, 1961, pp. 1-2.

and that he had him in quotes, particularly on the statement as to his confidence that Canada would agree to such sales.

I explained to the Ambassador that very intensive and effective use was being made of these reported statements by Premier Bennett and other provincial government Ministers and officials and that, particularly in the light of the meeting between Bennett and President Kennedy, the very definite impression was being created that the Government of the United States was fully in favour of a long-term sale being made of our downstream power entitlement. I outlined in very clear terms to the American Ambassador the great undesirability of statements being issued to create this impression.

He told me that day that it could be stated that the President had had in effect only a social meeting with Mr. Bennett and that no specific problems or policy with regard to Columbia River had been discussed. However he told me he had not as yet been able to obtain confirmation or denial with regard to the Udall Statements.

It is true that on November 24th the U.S. Embassy transmitted a message containing a further statement by Secretary Udall, and this was communicated to me. However the important thing is that while the U.S. Embassy message suggested that Secretary Udall had been misquoted in Seattle, there was no specific denial. More importantly, Secretary Udall's statement, – the only statement which he or the U.S. authorities had issued – was merely a statement of what purported to be his continuing position: It in no way denied that he had said what he was quoted as saying in the Seattle paper. I indicated to your Department (I think it was Ed Ritchie) that this was not at all helpful; my recollection is that Mr. Ritchie said that it was the best that we had been able to get.

Meantime, of course, the Udall statements continued to be used by Premier Bennett and his publicity clique in the most deliberate and effective manner. Particularly there was no denial of his statement about being confident that the Canadian Government would approve such sales, or of the fact that they had had official talks with us about it and talks with Bennett "on the side."

With regard to the statement of November 27th, this did not come to my attention before I delivered the Prince George speech. In any event, although I have seen it since, it is not effective by way of a denial of what was reported to have been said in Seattle.

This was the situation when I made my speech in Prince George on the 28th. It was only after I made that speech that Secretary Udall issued a statement denying that he had said what he was quoted as saying in Seattle. This, notwithstanding that the American Government had the clearest indication of the damage that his reported statements were creating.

Perhaps it might not be appropriate to put all this in the text of the reply, but I think it should be used in discussion with the American Ambassador and other American officials. I feel we have nothing to apologize for either in fact or even with regard to strict protocol: Any regrets due are due from them for having placed us in that position. Furthermore I feel it should be made clear to them again that since we signed a treaty designed to secure the return to Canada of one-half share of the downstream benefits, that the United States should indicate an unwillingness to talk with Bennett or anybody else from British Columbia about the sale of our power down there in a manner completely at variance with the arrangements contemplated by the negotiators of the Treaty and by the Treaty itself, that is, a long term contract for the sale of our whole entitlement.

Indeed it is their readiness to have such discussions – which I think would be improper – which has created the mischief.

As indicated, I only suggest for your consideration that you might consider it advisable to put some of this information in the reply, but if you feel that it should not be used in the reply but only in discussions, then I concur in the draft reply you sent me.⁶⁹

Yours sincerely,

DAVIE FULTON

453.

D.M.F./Vol. 20

*British Columbia Power Corporation, Limited
au secrétaire d'État aux Affaires extérieures*

*British Columbia Power Corporation, Limited
to Secretary of State for External Affairs*

[Victoria], December 12, 1961

Dear Howard [Green]:

Once again thank you so much for seeing me on 29th November and for arranging for me to meet the Prime Minister on 1st December. You may be interested in having, for your file, the enclosed copy of the memorandum that I left with the Prime Minister.†

During our brief conversation at the airport on 1st December, you said that part of what I had to suggest about the Columbia River was in line with what you had been saying, but that among my ideas there was one that was new to you. In the hope that it will be of some assistance, I take the liberty of putting on paper the effect of what I tried to convey.

Public opinion in British Columbia favours the export of electricity, regarding it like any other energy-producing commodity. People believe that the old reasons against exporting hydro power are no longer sound, because energy can now be produced cheaply by thermal means. In fact, approximately 80% of the electric energy now used in the United States is generated thermally. In these circumstances the Government should stress that, in principle, it is not against the export of electricity in proper cases: it brought in the National Energy Board Act, and applications to export will be considered on their merits.

However, such part of Canada's share of downstream benefits under the Columbia River Treaty as may be sold in the United States will not be exported and different considerations apply.

The delivery to Canada of downstream benefits resulting in the United States depends at all stages on contract (i.e., treaty). If we feel that we can rely on the Americans' covenant to start delivering downstream benefits in, say, 1968, there is no good reason why we should not be prepared to rely on a covenant to start delivering them ten or twenty years later. As a matter of practicability for the U.S., with improvement in the efficiency of conventional thermal plants and the probability that nuclear power will be available within the next twenty years at competitive rates, the Americans should have no difficulty in making provision to generate the equivalent of the downstream benefits that Canada wishes from time to time to recapture. If my reasoning on this is sound, difficulty of recapture should not be advanced as a reason for not allowing the long-term sale of downstream benefits.

⁶⁹ Note marginale :/Marginal note:

SSEA was inclined to agree that some might be incorporated & asked that you [J.M. Cook] consider a revision of the proposed Note. R. C[ampbell] 8/12

In deciding whether Canada should ratify the Columbia River Treaty and in deciding whether it should make taxpayers' money (raised from all of Canada and not just B.C.) available to produce downstream benefits, special considerations arise. The decisions must be affected by whether Canada's share of the downstream benefits is to be used by Canadians or Americans. If the share is to be used by Canadians and if thus they will get large quantities of power cheaper than they would otherwise, the flooding of the Arrow Lakes country, consent to the building of Libby Dam, the limiting of Canada's right to divert the Kootenay River, the giving up for the treaty period of any right to divert the Columbia, or a part thereof, into the Fraser, and the contribution of Canadian taxpayers' money can be justified. They cannot be justified if the principal result is to provide cheap power for the Americans.

One argument that British Columbia may advance against this is that the sale of downstream benefits will yield a cash profit. The answer must be that the Dominion does not make Canadian taxpayers' money available for business ventures of individual provinces. It might be otherwise if the province were to agree to devote the profit (including earnings on or savings from the payments for flood control) to providing equally cheap, or cheaper, energy to British Columbians from another source. The other source could be the Peace River, if it could be demonstrated that power from there could be delivered to the load centres as cheaply or cheaper than downstream benefits could be; more appropriate might be generators installed at Mica Dam (and other points on the Columbia).

While these thoughts touch on only a few of the many factors involved, I hope that they may be of some slight use to you.

Though you did not react with any enthusiasm to my idea that, in any arrangement between the Dominion and the Province (and the U.S. ?) with respect to the Columbia River, there should be included a requirement that the dissatisfaction with the treatment of the shareholders of the B.C. Electric under the Power Development Act, 1961, of B.C. be removed, I have not abandoned the idea; and I hope that I may return to it again one of these days.

I shall send a copy of this letter to Davie.

With all good wishes,

Yours sincerely,

A. BRUCE ROBERTSON

454.

DEA/5724-2-40

Projet de note du ministère des Affaires extérieures

Draft Note by Department of External Affairs

RESTRICTED

Ottawa, December 14, 1961

The Department of External Affairs presents its compliments to the Embassy of the United States of America and has the honour to acknowledge the Embassy's Note No. 124 of November 30, 1961.

The Department of External Affairs also wishes to acknowledge receipt, on November 24 and November 29 respectively, of the texts of the statements attached to the Embassy's Note under reference. It will be appreciated that the statement issued by the United States Secretary of the Interior on November 24 did not cover all aspects of certain earlier statements attributed to him in the press reports which were discussed, on November 23, by the Minister of Justice of Canada and the Ambassador to the United States of America. Insofar as the statement of November 24 did deal with the matters discussed it did not appear to provide satisfactory clarification or correction of the press reports.

With respect to the Canadian Press report of November 27, to which the Embassy's Note refers, the Department of External Affairs does not consider that it was drawn formally to its attention of that its content were vouched for by the United States Embassy. In any event it did not appear to provide satisfactory clarification either.

As requested, a copy is attached of a Press Release containing the text of the Notes prepared for an address delivered by the Minister of Justice at Prince George, British Columbia on November 28, 1961.⁷⁰

455.

H.C.G./Vol. 4

*Extrait du procès-verbal de la réunion
du Comité du Cabinet concernant le fleuve Columbia*
*Extract from Minutes of Meeting of Cabinet Committee
on Columbia River*

CONFIDENTIAL

[Ottawa], December 17, 1961

Present:

Hon. H.C. Green, Secretary of State for External Affairs (Acting Chairman)
Hon. D.M. Fleming, Minister of Finance
Hon. E.D. Fulton, Minister of Justice

Also Present:

Mr. R.B. Bryce, Secretary to the Cabinet
Mr. A.E. Ritchie, Department of External Affairs
Mr. J.F. Parkinson, Department of Finance
Mr. R.G. Robertson, Deputy Minister, Department of Northern Affairs and National Resources
Mr. T.M. Patterson, Department of Northern Affairs and National Resources
Mr. G.M. MacNabb, Department of Northern Affairs and National Resources
Dr. J.S. Hodgson, Privy Council Office (Secretary)
Mr. D. Beavis, Privy Council Office (Asst. Secretary)

Columbia River Negotiations with the Province

The Committee considered two draft replies† to Premier Bennett's letter to Mr. Fleming dated November 27th. During the discussion the following points were made:

(a) Some thought that to encourage a meeting with the Premier to discuss financial details of the project when such a meeting would be based on Mr. Bennett's misinterpretation of Article VIII of the Treaty concerning the disposition of downstream power benefits would compromise the federal government's position, and that it would be preferable not to ratify the Treaty, rather than to meet on such a basis. Others thought that a reply could be so worded as to make clear the government's desire for ratification but only on the terms mutually agreed between the province and Ottawa during the negotiation period before the signing of the Treaty. This would publicly fix the responsibility for any delay in ratification on the Premier of British Columbia.

(b) Some thought that several federal Ministers should be included in any discussions with the Premier, because the discussions would probably raise policy questions other than those of a financial nature. Others thought that the reply should exclude reference to the attendance of other Ministers; rather, it should suggest that, if Mr. Bennett was prepared to meet on a basis which would preserve the principles contained in the Treaty and to which both the Province

⁷⁰ Note marginale :/Marginal note:
Approved by SSEA 17/12. R. C[ampbell]

and the federal government had agreed at the time the Treaty was signed, then the Minister of Finance would welcome a meeting with the Premier to discuss financial details.

(c) If all Columbia River downstream benefit power were, as Premier Bennett wished, to be sold to the United States, British Columbia would have to depend on the higher-cost Peace River power. This was a misuse of the Columbia and a reversal of national policy. It would result in Canada selling low-cost power to United States industries competing with industries in British Columbia under circumstances precluding effective Canadian competition in view of the subsidization of power cost known to exist in the United States.

(d) Some said that the fundamental judgment was whether Premier Bennett was determined to develop the Peace River at all costs. If so, he would have to finance it by exploiting the power market in the Vancouver area. It would not be possible to develop both rivers without large scale exports of power. Others said that the alternative would be not to develop the Columbia at all.

(e) U.S. representatives had indicated informally that they might be prepared to deliver part of Canada's entitlement at Blaine. About one-third of Canada's share of the downstream power benefits could be carried by this line, and if a satisfactory market could be found for the remainder, perhaps the construction of the transmission line between Oliver and Vancouver might be postponed for six or seven years.

After further discussion *the Committee agreed:*

(a) that officials should prepare a further draft of a proposed reply to Premier Bennett, for consideration by the Cabinet on December 18th;

(b) that the reply should:

(i) indicate clearly the federal government's desire to ratify the Treaty and that Premier Bennett's stand had been the only reason for the delay,

(ii) state the federal government's reservation that further discussions could proceed only on the basis of the principles concerning disposal of downstream benefits established in the Treaty,

(iii) contain a reference to the minutes of the December 8-9th meeting of the Policy Liaison Committee at which the British Columbia representatives had agreed to the principle of sale of surplus power on a short-term basis,

(iv) be the means of sending to the Premier a copy of the Montreal Engineering Company report in which the federal cost figures were confirmed,

(v) have as an attachment a memorandum from the Department of Northern Affairs and National Resources based on the Draft Press Release dated 8th November 1961, revised as an analysis of the Montreal Engineering Company Report. This memorandum brought out the fact that, with downstream benefit power returned to Canada as envisaged in the Treaty, the Columbia development would provide 60% more power for Canada and at a 25% lower unit cost than would the development of the Peace River.

Tabling of Montreal Engineering Company Report and Draft Press Release

The Committee agreed during the discussion of item I that the Montreal Engineering Company report and a suitable revision of the draft release would be attached to the draft reply to Mr. Bennett's letter of November 27th.

Proposed Pamphlet on Columbia Development

After a short discussion, *the Committee agreed*

(a) that officials should be authorized to prepare a draft pamphlet for consideration at a later date by the Committee;

(b) that the pamphlet will not be released until authorized by the Committee.

...

456.

D.M.F./Vol. 20

*Le député, Vancouver South,
au ministre des Finances*

*Member of Parliament, Vancouver South,
to Minister of Finance*

PERSONAL AND CONFIDENTIAL.

[Ottawa], December 14, 1961

Dear Don [Fleming]

Leon Ladner has asked me to write to you in regard to the Columbia River development and its political effects in British Columbia. I understand Leon talked to you about this, and he considered it most urgent that I give you my own opinions, which in many ways are shared by the other private members from British Columbia.

A short time ago we had a meeting with Howard Green when he was out here, and present at that meeting were: Bert McPhillips, Harry McQuillan, Bill Payne, Bill McClelland, Harold Hicks, Doug Jung, John Taylor and myself. Also present were Leon Ladner and Theo DuMoulin, Vice President of the B.C. Conservative Association.

Howard had been asked to make no statement on the Columbia until he met us, and his first words were that why were we so concerned because the Columbia was no longer of political importance in British Columbia. He also stated that suggestions made by the members to Davie Fulton, and which were carried by Davie back to the Cabinet in Ottawa, were unacceptable to him and he had managed to block them.

Without exception, everyone at this meeting indicated they felt Howard was out of touch with political matters in British Columbia, and that we disagreed in many respects with the stand he was taking on this issue. My own opinion is that Howard has become so completely engrossed in international affairs that he has lost touch with political sentiment in this Province. He himself, of course, will be elected by a tremendous majority, but the issues which he does not consider important could well defeat a large number of our British Columbia members.

Davie Fulton did recover some ground with his speech at Prince George, only because Udall made this possible. The effect of this will wear off and we will be faced with the fundamental issue of whether the Columbia development will proceed or not, and if it does not proceed, we will receive most of the blame for this, although as you and I know, Mr. Bennett is the real villain in the piece. Nevertheless, we face the electors before he does, and we will be the first people they will have a chance to show their resentment against. Mr. Bennett will also suffer from this resentment, but by the time his election comes along somehow or other he will have managed to have got himself off the hot spot. I have talked to many people who fully realize the harm Mr. Bennett has done, but who look to Ottawa to do something about this and to get this great project moving, and how we do it they do not particularly care. In my opinion, however, public sentiment has started to harden into a "plague on both your houses" attitude,

and you know that reason and logic are not really good election weapons when compared with achievements or emotional appeals.

Perhaps all I am saying is let's get away from name calling and try some honest hard negotiating for a change.

This letter is for your own personal use, and I would suggest you also check when the House reassembles with some of the other members from British Columbia.

Best personal regards,

Yours sincerely,

ERNIE [J. BROOME]

457.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], December 20, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson), (Mr. Labarge), (Mr. Watters).

...

COLUMBIA RIVER NEGOTIATIONS WITH
 PROVINCE OF BRITISH COLUMBIA
 (Previous reference November 30)

13. *The Prime Minister* said that consideration should be given to a draft letter from the Minister of Finance to the Premier of British Columbia in reply to the Premier's letter of November 27th proposing further discussion of the financial arrangements for the project. The draft had been prepared under the direction of the Cabinet Committee on the Columbia River. He now wished to get into the Columbia question himself.

The first question to be considered was whether the government wished to see the Treaty ratified. If so, it would probably be necessary to seek some reasonable compromise with the

province, and the draft letter should reflect the disposition to seek a solution. This might involve the sale in the United States of a considerable proportion of Canada's share of the downstream power benefits. Did Ministers wish to adhere to the present negotiating position, even if this inflexibility led to the lapsing of the Treaty?

In the future, public statements by Ministers on the Columbia should be made only after consultation with himself or with the Cabinet. He had not been consulted before a Minister had recently made a speech attacking the U.S. for allegedly interfering with Canada's affairs relating to the Columbia.

14. *The Minister of Finance* said the draft letter made it clear that the Federal government favoured the sale of power benefits, if surplus to Canadian requirements, but that the sale of all the benefits would violate the Treaty.

He recalled that he had held discussions with Premier Bennett in April and May 1961, but the province's proposals for financing the project had been unacceptable, and the discussions had lapsed. In September, the Cabinet Committee had prepared two alternative draft letters to the Premier in order to reopen the discussions, but on the Prime Minister's advice neither had been sent.

The Premier's recent letter was amicable in tone, and it indicated that the province had made considerable progress on the engineering aspect of the project. The province was urging that the Treaty be ratified, and the Federal government should not place itself in the position of appearing to oppose ratification.

The Premier might argue that the Treaty made possible disposition of all the downstream benefits, but minutes of earlier meetings showed that his government had formerly regarded Clause 8 of the Treaty as applying only to the sale of power not needed in Canada. Premier Bennett would take the position that, by selling all the benefits, he could save the \$110 million otherwise required to build transmission lines, and could use the proceeds of the sale for both the machining of the Mica dam and the development of the Peace River.

It was important that the draft letter should reply to Premier Bennett's arguments, so that the Federal government's position would be clearly on the public record. The Treaty would be highly beneficial to Canada, and it was the result of very skilful negotiation.

15. *Mr. Green* said that the original purposes of the treaty negotiations had been to obtain cheap power for the Lower Mainland of British Columbia and, by machining the Mica project, to bring cheap power also to the southern part of the provincial interior. The Treaty itself contemplated the sale in the United States of part of Canada's share of downstream benefits, but only if surplus to Canadian requirements. Premier Bennett was trying to make possible the premature development of the Peace River by selling all the Columbia benefits, but this would deprive the Lower Mainland of the low-cost power needed for industrial development.

The original conception of the Treaty had been remarkable because the notion of obtaining payment for downstream benefits was a new principle for international agreements. During the negotiations, however, several compromises had been necessary in order to keep the support of the province, and the Treaty itself was far from the original plan. Indeed, the best interests of both British Columbia and Canada might be served if the Treaty were allowed to lapse, and if the Columbia was later developed as a Canadian project.

It was proposed to send to Premier Bennett, with the letter, the recent report of the Montreal Engineering Company and a departmental memorandum setting forth some of its implications. These two documents showed clearly that Columbia power would be much cheaper than Peace River power.

Resumption of discussions with Premier Bennett might not result in any accomplishment. He would be apt to use the occasion chiefly for propaganda purposes and to wrest further

compromises from the Federal government. It was difficult to trust the statements of the present provincial administration, because several times during the negotiations it had broken faith and forced changes in the Canadian negotiating position.

Finally, unless the government supported the position taken by the B.C. Ministers, it would lose much of its political strength in that province, and the present provincial administration would be greatly strengthened.

16. *During the discussion* the following points were raised:

(a) Most said the Treaty should not be allowed to lapse if some reasonable compromise with the province would enable it to be ratified. Any such compromise should not jeopardize the main principles of the Treaty. The Federal government was being criticized by the public in British Columbia and elsewhere for its apparent inflexibility on this subject, and the people wished to see the Treaty ratified.

(b) The province would appear ridiculous if it seriously proposed the sale of power needed in B.C. On the other hand, the Federal government would appear ridiculous if it advocated the return to Canada of power that was surplus to Canadian requirements. The Federal government should agree to a compromise based on the sale of the surplus power as determined by the National Energy Board.

(c) On the other hand, if the Federal government agreed to the sale of all surplus power from the Columbia, the province would proceed with the Peace River development, thereby making the entire power production from the Columbia surplus to Canadian requirements.

(d) The draft letter should not state the Federal government's position too definitely, or Premier Bennett might conclude that there would be no purpose in further discussions.

(e) Clause 8 of the Treaty referred to the sale of "portions" of the Canadian share of the downstream power benefits, but contained nothing which would expressly preclude the sale of the whole of the benefits for limited periods, if not needed in Canada.

(f) The third page of the letter should be amended to make clear that the purpose of the Treaty would be defeated if "the bulk of" the benefits were sold for several decades. A sentence stating that provincial policy was the "obstacle" to ratification should be deleted, and other provocative expressions should also be changed.

17. *The Cabinet* agreed,

(a) that arrangements should be completed if reasonably possible for the ratification of the Treaty with the United States on the development of the Columbia River, and that the government would be willing to make some compromise with the government of British Columbia on the question of downstream benefits if necessary to achieve the purposes of the Treaty;

(b) that page 3 of the draft letter from the Minister of Finance to the Premier of British Columbia should be revised in line with the discussion at the Cabinet; and,

(c) that the revised draft letter should be submitted for the consideration of the Prime Minister and Messrs. Green and D. Fleming before despatch.

...

458.

D.M.F./Vol. 20

*Le ministre des Finances
au premier ministre de la Colombie-Britannique*

*Minister of Finance
to Premier of British Columbia*

Ottawa, December 23, 1961

My dear Premier:

Before going overseas to the NATO meetings last week, I sent you an interim reply on December 9th to your letter of November 27th concerning the Columbia River Treaty. I have now had an opportunity to review the situation.

I would welcome an early resumption of discussions on the financial arrangements, but my colleagues and I feel that it is most important that we should first remove any misunderstanding that may exist about the real purpose of the Treaty. In your earlier letter of June 9th you stated that in your view all of Canada's share of the downstream power benefits should be disposed of to the United States. You return to this point in your last letter, and say that it is of paramount importance to you.

This stand is quite contrary to the fundamental purpose of the Treaty, which is to secure for the people of British Columbia directly and immediately the cheapest and most abundant electric power available.

I believe it essential to reaffirm the basic position outlined in my letter of May 17th regarding the use which has been clearly envisaged from the beginning on both sides for these power benefits. As you were aware, throughout the negotiation of the Treaty, discussions in the Canada-British Columbia Policy Liaison Committee were based on the intention that the bulk of Canada's share of the low-cost downstream power benefits would be delivered to Canada for the use and benefit of consumers in British Columbia. The Treaty itself accurately reflects this principle. I refer in particular to the following provisions of the Treaty:

"Article V – Entitlement to Downstream Power Benefits

(1) Canada is entitled to one half the downstream power benefits determined under article VII.

(2) The United States of America shall deliver to Canada at a point on the Canada-United States of America boundary near Oliver, British Columbia, or at such other place as the entities may agree upon, the downstream power benefits to which Canada is entitled, less

- (a) transmission loss,
- (b) the *portion* of the entitlement disposed of under article VIII(1), and
- (c) the energy component described in article VIII(4)."

"Article VII – Determination of Downstream Power Benefits

(1) the downstream power benefits shall be the difference in the hydroelectric power capable of being generated in the United States of America with and without the use of Canadian storage, determined in advance, and is referred to in the treaty as the downstream power benefits.

(2) For the purpose of determining the downstream power benefits:

- (a) the principles and procedures set out in annex B shall be used and followed;
- (b) the Canadian storage shall be considered as next added to 13,000,000 acre-feet of the usable storage listed in column 4 of the table in annex B;
- (c) the hydroelectric facilities included in the base system shall be considered as being operated to make the most effective use for hydroelectric power generation of the improvement in stream flow resulting from operation of the Canadian storage.

(3) The downstream power benefits to which Canada is entitled shall, be delivered as follows:

- (a) dependable hydroelectric capacity as scheduled by the Canadian entity, and
 - (b) average annual usable hydroelectric energy in equal amounts each month, or in accordance with a modification agreed upon under paragraph (4).
- (4) Modification of the obligation in paragraph 3(b) may be agreed upon by the entities.”

“Article VIII – Disposal of Entitlement to Downstream Power Benefits

(1) With the authorization of Canada and the United States of America evidenced by exchange of notes, *portions* of the downstream power benefits to which Canada is entitled may be disposed of within the United States of America. The respective general conditions and limits within which the entities may arrange initial disposals shall be set out in an exchange of notes to be made as soon after the ratification date.

(2) The entities may arrange and carry out exchanges of dependable hydroelectric capacity and average annual usable hydroelectric energy to which Canada is entitled for average annual usable hydroelectric energy and dependable hydroelectric capacity respectively.

(3) Energy to which Canada is entitled may not be used in the United States of America except in accordance with paragraphs (1) and (2).” . . .

“Article X – East-West Standby Transmission

(1) The United States of America shall provide in accordance with good engineering practice east-west stand-by transmission service adequate to safeguard the transmission from Oliver, British Columbia, to Vancouver, British Columbia, of the downstream power benefits to which Canada is entitled and to improve system stability of the east-west circuits in British Columbia. . . .”

These provisions obviously rest on the intention that, in the normal course, our downstream benefits will be physically returned to Canada. I draw your attention to the word “portion” in Article V and the word “portions” in Article VIII. At no time prior to the signing of the Treaty was it even hinted by you, your Ministers, or your officer who was appointed as one of the four negotiators, that your government would demand that Canada’s share of downstream benefits be sold in the United States.

The basic purpose of the Treaty is to provide large supplies of cheap power and thereby benefit the people of British Columbia and the economy of Canada as a whole through the industrial development and employment which can be expected to result. This purpose would be defeated and British Columbia producers put at a competitive disadvantage if the bulk of the low-cost downstream benefit power is committed to the United States for several decades.

The great advantages to Canada of the development and use of the low-cost of the Columbia are brought out once again in specific terms in a study made of them by the Montreal Engineering Company. I am sending you under separate cover a copy of this report in two volumes, and I am enclosing herewith a departmental memorandum setting forth briefly some of the conclusions reached in this report.

We have accomplished what seemed at many times to be an unattainable objective when we were able to negotiate for the return to Canada, free, of one-half of the downstream benefits. My colleagues and I would hope that you will be able to return to the real purpose of the Treaty and agree that the bulk of Canada's downstream benefit power should be brought back for use in British Columbia, with only the temporary surpluses being sold to the United States, as provided in Article VIII of the Treaty.

I am, as always, ready to meet with you, and invite you to suggest several alternative dates in January for consideration.

Wishing you the Compliments of the Season, I am,

Yours sincerely,

DONALD M. FLEMING

CHAPITRE IV/CHAPTER IV
COMMONWEALTH

PREMIÈRE PARTIE/PART I

RÉUNION DES PREMIERS MINISTRES DU COMMONWEALTH,
LONDRES, 8 AU 17 MARS 1961
MEETING OF COMMONWEALTH PRIME MINISTERS,
LONDON, MARCH 8-17, 1961

459.

DEA/50085-J-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], January 9, 1961

SOUTH AFRICA AND THE COMMONWEALTH

Before he left on holiday I had an opportunity to question the Prime Minister about this subject. I believe that the following paragraphs reflect his current thinking.

2. The Prime Minister said that in recent weeks he had been giving a great deal of thought to how this item should be dealt with at the Prime Ministers' meeting in March. Although one could not tell how matters would develop, his present view was that the time for "abrupt action" had not arrived. Strong arguments could be made both for and against the exclusion of South Africa, but for purposes of the March meeting he thought that the best course would be to give notice again to South Africa that its status as a member of the Commonwealth was in jeopardy. I could not determine whether the Prime Minister meant that the Meeting should defer giving its consent to South Africa's remaining, as a republic, within the Commonwealth, or whether he is expecting that such consent will be given with some accompanying or parallel notice of probation relating to South African race policy. I think he meant the former of these alternatives, and will take the next opportunity to follow up the point. In any case he talked of placing the onus on South Africa to make concessions or get out. He said he had in mind that the postponement of "abrupt action" by putting the Union Government, as it were, on probation, would have an indirect but useful effect on the next election, i.e., presumably, it would assist the United Party which could contend that unless concessions were made on racial policy, South Africa's Commonwealth membership would be endangered. In explaining this, the Prime Minister said that all his emotional reactions, except in the field of racial policy, were favourable to South Africa, e.g., the South African record in wartime and South Africa's historical connection with the Commonwealth.

3. It was clear from the Prime Minister's remarks that, despite his strong feelings on racial discrimination, he would be most reluctant to be responsible for South Africa's expulsion from the Commonwealth at least until a further opportunity had been given for changes to evolve in South Africa's racial policies. He implied, however, that if after this further postponement there was still no improvement so far as race policy was concerned, South Africa would have to expect to pay the price in terms of Commonwealth membership.

4. The Prime Minister acknowledged that some of his previous statements about South African racial policy, taken together with the passing of the Bill of Rights, might have led people here and abroad to expect Canada to advocate or support a move to exclude South Africa from the Commonwealth. He thought there would be some comment along these lines but did not appear to believe that it would be particularly difficult to deal with. In this context he said that he was still playing with the idea of having a resolution introduced in the House of Commons for the purpose of testing Parliamentary opinion and in particular finding how far the Opposition parties were prepared to go. This is the second time that the Prime Minister has mentioned the possibility of a resolution. He said that he had not yet come to any decision on this point. Indeed in all his comments he made it clear that his thinking was tentative and that his tactics would be subject to alteration in the light of developments.¹

H.B. ROBINSON

460.

J.G.D./XII/C/110.1

*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]. January 16, 1961

SOUTH AFRICA AND THE COMMONWEALTH

In a paper on this subject dated December 30² an attempt was made to examine in outline the main aspects of this question, what was known of the present thinking of other Commonwealth governments, and the possible courses that might be followed. The conclusion was reached that the issue had narrowed to whether South Africa should or should not remain as a member, and it was noted that a fuller study of the implications of this dilemma would be made.

Character of the Commonwealth

2. There are two central themes which are not easily reconciled:

(i) The Commonwealth has flourished on diversity and on mutual tolerance. Wide variations in local conditions and points of view have been reflected in differing domestic and foreign policies. The various members, while at times feeling free to criticise each other publicly, have had recourse to the United Nations for the negotiation of intra Commonwealth disputes (such as that over Kashmir) rather than to meetings of Commonwealth Prime Ministers.

(ii) By its very diversity the Commonwealth constitutes a meeting of races and cultures. The phrase "multi-racial Commonwealth" has a firm foundation of racial equality insofar as it is recognized that the African or Asian countries have the same status as the white states within the Commonwealth. By implication it may be thought, or hoped, that "multi-racial" should be construed to mean "racial equality" within each state or that the citizens of one Member should be equal to those of any other; and therefore, that all Commonwealth citizens were interchangeable.

¹ Note marginale :/Marginal note:
Noted. N.A. R[obertson]

² Voir/See Volume 27, document 384.

Recognized Commonwealth Principles?

3. The question of agreed Commonwealth rules of action has, under present conditions, inevitably been raised in regard to race relations. Suggestions, of which the most recent was made by a Labour member in the British House of Commons, have been made that there should be a code to cover the whole field of human rights. A minimum common understanding derives from traditions passed on from the United Kingdom to its colonial territories. There is, however, a wide variation in the degree of acceptance. A set of common rules would, in the main, fall under the following headings:

(i) *Form of Government*: The British form and practice of democracy have been adopted in full measure in Canada, Australia and New Zealand and, with some limitations, in South Africa, India and Malaya. In Ceylon the British system has been stumblingly and incompletely followed. In Pakistan no political democracy in our sense exists at the present time. In Ghana part of the form and little of the spirit survive. Nigeria has not had time to show its method of adaptation. In sum, it could not be said that democracy, as we understand it, is generally practised or acknowledged throughout the Commonwealth. An equally safe conclusion is that no practical steps to secure uniformity could be taken. At the same time, it is evident that there must be limits to the tolerance of types of government. If, for example, a Commonwealth government became fully Fascist or Communist, the country might be considered to have become unacceptable as a member.

(ii) *Civil Liberties*: Here again there are wide and apparently unchangeable divergences in theory and in practice. The basic freedoms of speech and association are variously interpreted as, say, between Canada and Australia on the one hand, and any of the new Commonwealth members on the other. Freedom of the press has narrow boundaries in Ghana where criticism of the Government may conveniently be classified as sedition.

(iii) *Law*: To a considerable degree the British conception of law has taken root in all Commonwealth countries and the independence of the courts has been vigorously upheld in South Africa. On the other hand, the role of the court as protector of the citizen against arbitrary acts of government has been curtailed in a number of Commonwealth countries as, for example, in India where citizens may be held in jail for political offences under the annual Preventive Detention Acts without recourse to the writ of habeas corpus.

(iv) *Foreign Policy*: Not since the early 1920's has there been support for a common foreign policy or even identical policies; but there appears to be a tacit understanding that certain principles are held in common. One is the acceptance of responsibility to work toward "freedom from want" as expressed in the Colombo and other Commonwealth aid plans, and another is the pursuit of international peace combined with a self-denying ordinance against military aggression.

(v) *Free Movement of Peoples*: Over more than half a century there have been suggestions that there should be extended or complete freedom of movement between one part of the Commonwealth and another. The argument that migration should not be limited by racial discrimination has been prominent and is currently illustrated by criticisms in the West Indies of Canadian immigration policy. Of the old Commonwealth members the United Kingdom alone has opened its doors to Commonwealth citizens regardless of race. The results of this policy are conspicuous, with non-white areas in all the large cities and with the market for unskilled labour flooded, and largely supplied, by non-white persons. It is questionable whether it would be in the interests of Australia, New Zealand or Canada to follow the United Kingdom example.

South African Membership of the Commonwealth

4. These general considerations bear on the decision of the future relationship of South Africa to the Commonwealth. Undoubtedly there exists in every Commonwealth country other than South Africa a vocal and vigorous public opinion to the general effect that the latter's racial policies are morally wrong and inconsistent with the ideals common to other members. The action demanded ranges from condemnation through economic boycotts to exclusion from the Commonwealth. Condemnation, while understandable, would probably have no influence on South Africa; economic boycotts would effect no useful purpose.

5. It would be inconsistent with Commonwealth precedents to terminate South African membership on the ground that South Africa was to change from monarchical to republican status. Not only is the form of government (within limits suggested above) clearly a domestic responsibility, but there are already republican members. On the other hand, the South African claims that racial policies are the concern only of the country pursuing them can hardly be accepted.

Arguments for and against Exclusion

6. *FOR:*

(i) It would be consistent with the general Commonwealth disagreement with South Africa's racial policies;

(ii) It would remove a discordant element and perhaps make the Commonwealth more permanently acceptable to the Asian and African members, many of whose leaders feel a direct emotional involvement because they believe that the dignity of all coloured races is involved in apartheid;

(iii) It would give to the Commonwealth a cleaner bill of health on racial relations – an important factor in its influence on outside countries.

AGAINST:

(i) An objection already voiced by a number of Commonwealth governments is that it would be desertion of the people of South Africa (other than the Nationalists);

(ii) It is at present only a speculation as to how far Asian and African members would be strengthened in their Commonwealth affiliation;

(iii) The economic and strategic relations would be somewhat, but perhaps not seriously, affected;

(iv) The most far-reaching objection is the precedent created by exclusion of a member because of its national policies. This is not so much a quasi-constitutional argument based on the convention against interference in domestic questions – and it has already been suggested that racial policies cannot be exclusively domestic – as an approach to a different kind of Commonwealth.

The Future of the Commonwealth

7. To develop further this last argument against the exclusion of a member leads to a dilemma which has already been indicated. On the one hand it has been said with some justice that a Commonwealth made up of a variety of races, and including countries passionately opposed to the domination of non-white by white peoples, cannot afford to include a member intransigently committed to the contrary view. As against this strong argument is the difficulty of drawing the line in the enforcement of political and social principles and practices. Should, then, the protection of human rights be more widely pressed? Should the Tamil minority of Ceylon be protected against the Sinhalese majority; the opposition in Ghana be given the normal rights under the British concept of law; the Pakistanis be required to restore representative government; Australia be obligated to cancel its "white Australian" policy; or

Canada to admit immigrants from India and the West Indies as freely as those from the United Kingdom? Or, to put the same problem in another way, can the Commonwealth enjoy the advantages of diversity without its disadvantages? This argument should not be pressed too far, for it can be held that racial discrimination, practised as a national policy, differs in degree and perhaps in kind from other departures from human rights. Thus to attempt to solve the racial problem by including it in a code of ethics would not only raise many complications but also be, in that sense, a false approach.

To Return to South Africa

8. It is suggested that South Africa be allowed to remain as a member for the present at least. It may be helpful to examine possible procedures on the assumption that the Canadian Government does not wish at least to initiate a move leading to exclusion. Two possible approaches were mentioned in the memorandum dated December 30: that there should be a declaration by the nine members, or alternatively a more generalized one by all ten. The second could perhaps be regarded as not going far enough, while the first involves contradictions. To these may be added a further possible course, based, like the other two, on the assumption that the Commonwealth cannot afford to abdicate its responsibility for racial relations.

9. At the forthcoming meeting of Prime Ministers the South African Prime Minister could be told that there was no objection to a member state being a republic. This move would eliminate fruitless controversy over domestic jurisdiction and Commonwealth precedents. To this, however, would be added a warning that, because the question of continued membership had arisen, it was the duty of other Prime Ministers to point out that there were serious differences on the principles of race policies; that racial relations could not be regarded as wholly domestic; and that, while the peculiar problems of South Africa were recognized, it was hoped that South Africa would find it possible to adjust, as rapidly as practicable, its views to those of other Commonwealth members. This would not be a proposal for a probationary status with the acceptance of a republican state as a sanction, but a warning that in this vital field, there must be more agreement on a subject of pressing and general concern.

10. It would be impossible for the communiqué to be silent on the one Commonwealth subject which has commanded wide public interest, and it should, therefore, contain the gist of the points made in paragraph 9. It is recognized that to include a record of differences would be a new departure, but surely a departure less radical than the exclusion of a member.

Results of such a Course

11. The possibility cannot be excluded that South Africa would feel so strongly about a procedure such as that described above that it would voluntarily withdraw from the Commonwealth. This is, perhaps, a justifiable risk.

12. It is more difficult to determine the extent to which a statement such as has been suggested would satisfy either other Commonwealth governments or – if acceptable to them – public opinion. It would be neither a clarion call for the ending of racial discrimination nor a heated denunciation of South Africa. It would, however, meet the primary requirement for a firm stand on race relations.

13. As to the views of the other Commonwealth governments we have limited information, and it is quite probable that none has reached a final position. On the other hand the United Kingdom is obviously hoping that the issue can be avoided by treating it as wholly covered by the republican question and accepting that as under domestic jurisdiction (in spite of the 1960 communiqué); while, on the other hand, most of the other governments regard the racial question as one too important to be ignored.

14. There seems to be a need, therefore, for an initiative which would record the general Commonwealth position on racial relations without splitting the members into white and non-white camps. It has been the suggestion in this paper that the solution lies – at least for the present – neither in the expulsion of South Africa nor in the creation of a comprehensive set of principles. If this is correct, there remain these possible courses of action:

(a) An agreed paragraph in the communiqué, calling for the end of racial discrimination everywhere as quickly as practicable;

(b) A nine-power public statement disclaiming any sympathy for South African racial policies.

15. The second of these seems to have few advantages. The first would have meaning if it were unanimous, but it might be impossible to find a wording acceptable to South Africa on the one hand and to, e.g., Ghana and Malaya on the other. We come back, then, to the procedure outlined in paragraph 9 above.

16. The general approach that might be taken in the Prime Ministers' Meeting has been indicated. It would deplore the present unwillingness of South Africa to move toward a moderation of its racial policies; emphasize the strength of opposition in the Commonwealth to racial discrimination; deprecate a radical solution such as the exclusion of South Africa in a Commonwealth accustomed to mutual tolerance and understanding; but make it clear that tolerance alone cannot be stretched indefinitely to bridge a wide gap in fundamental principles.

17. Presumably some of the Prime Ministers would wish also to describe at greater length to parliament and public their views on human rights, and explain the reasons for the course taken in London as contrasted with the alternatives of acceptance of South African membership without comment or non-acceptance. Some of the following points might find a place in such a Canadian statement:

(i) The importance attached by the Government to human rights and in particular to racial equality;

(ii) Realization that the racial problem in South Africa is complex and can be solved only by a series of steps;

(iii) The attempt by other members of the Commonwealth to encourage a gradual approach to better racial relations in South Africa, rather than to take the easy path of accepting defeat now by taking an extreme course;

(iv) To expel South Africa now would be of no advantage to the non-whites, whose attitude toward Commonwealth membership has not been in any case clearly defined;

(v) An indication that the language of the communiqué should leave no doubt as to the significance of the discussion, or be interpreted as a means of shelving the issue.

18. Should the approach suggested in this paper commend itself to you as worthy of further study, you might wish to have prepared fuller notes of possible statements in the Conference and in Parliament.

H.C. G[REEN]

461.

DEA/50085-J-40

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

CONFIDENTIAL

[Ottawa], January 20, 1961

SOUTH AFRICA AND THE COMMONWEALTH

I have read with admiration your excellent memorandum of January 16th on this subject which Mr. Green has sent to the Prime Minister and my first impression is that I can agree with almost all you say except the conclusion. I hope we will have a chance to discuss it. This is going to be such an important issue on which the Prime Minister feels so deeply and is so perplexed that I think he should cogitate on this well argued case.

My reason for disagreement in the conclusion is not based on my belief that the South Africans are morally wrong, nor that we should, by excluding them, help the coloured people in South Africa. I believe the South African situation is a tragedy to which I can see no tolerable solution. I wouldn't preach to them; were I in their position preaching would infuriate me.

My different conclusion arises rather from my views about the nature of the Commonwealth and its role in international affairs this next decade. I regard the Commonwealth as a kind of club at which and through which we can get some improvement in understanding among the governments of its diverse members, and which serves as an affectionate and comforting symbol for a lot of people, particularly upper and middle class people in these countries. This club can do a little to bridge the gulf between the white and coloured – a gulf which I think will get wider and more visible in the next five or ten years. We need to preserve all the bridges we can across it.

If we take the positive action that is needed now to re-affirm South Africa's membership in the Commonwealth, that action will be interpreted widely as implying some approval or at least toleration of South Africa's policies, whatever may be said. On the other hand, if the Prime Ministers decline to take such action to re-affirm, then people both in the Commonwealth countries and outside will realize with a start that the Commonwealth does mean seriously what it says from time to time in woolly phrases. After a refusal to re-affirm I think the value of the Commonwealth as a bridge between the white and coloured will be strengthened (despite the way that the United Kingdom and some other whites will feel – the U.K. is stuck with having to enthuse about the Commonwealth in any event).

On the other hand, after a re-affirmation in March, I think a number of the governments and many people in the Commonwealth will merely pay lip-service to it, treating it as of less and less importance, embracing widely divergent views on questions of principle and devoting its efforts to papering-over its differences rather than seeking a true understanding of one another's views on international problems.

My own view is that at the meeting in March Canada should take the lead on this matter and after listening to the U.K. and South Africa should express its view contrary to re-affirmation basing it upon the effect on the nature and reputation of the Commonwealth. In doing so Canada should make no direct criticism of South Africa's internal affairs but point out that by accident South Africa has put us in a position where positive action is required which we are not prepared to support because of the nature of the policies they have felt it necessary to follow and the effects of these deliberate policies on the opinion of people in

many parts of the world including Canada. In these circumstances it is almost certain that the majority would be with us on the issue, and South Africa would presumably leave the conference at once and blame us for rejecting them.

I recognize, of course, that other members of the Commonwealth depart from the principles of British democracy, justice, and non-discrimination, in one way or another, notably Ghana and Pakistan. What they do however has not shocked the world the way South Africa's action has, (nor should it in my view) and it is the world's opinion of South Africa which is the reality with which we have to contend.

R.B. B[RYCE]

462.

DEA/50085-J-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

SECRET. CANADIAN EYES ONLY.

London, January 31, 1961

My dear John [Diefenbaker]:

Naturally, you will only have been given a condensed digest of the extensive reports contained in the various telegrams which we have been sending back in regard to the plans for the Prime Ministers' Conference. I am sure, however, that you will have been impressed by the efforts which are being made at various levels from the Minister down to emphasize that all Commonwealth countries but Canada are ready to deal with the question of South Africa's continued membership.

The formula which has been adopted by Sandys and, in turn, by his officials when speaking to officials from Canada House is that the other Prime Ministers will not take the initiative in raising any question either about the propriety of dealing with South Africa's membership at this time, or with the right of South Africa to continue as a member if that should come up for consideration.

For this reason, it does seem that the utmost care should be given to the position which Canada will take and, when that is definitely decided, I would be most grateful if I could be informed on a strictly personal basis as soon as it is conveniently possible. I shall not discuss this with any of the other officers until it has reached the point when a general directive is being prepared, but it will help me in the discussions I am bound to have between now and the first week in March.

It is clear that Malaya, India, Ghana and Nigeria would probably welcome a firm stand by Canada against the discussion of this subject in March, if any reasonable ground can be found for taking that stand. It seems, however, that Verwoerd is anticipating that difficulty because he has stepped up his programme and, although he at first announced that this subject would not be dealt with until May, he brought the Bill to make South Africa a republic forward for Second Reading yesterday. It would seem likely that they will have taken the necessary steps to make South Africa a republic before the meeting in March.

We then come to the question as to whether a firm stand is to be taken against South Africa's continued membership if no satisfactory device can be found for postponing consideration of this subject. I know how strongly you hold your views on the apartheid policies of the South African Government, particularly as extended and narrowed in recent statements by their Prime Minister, but the question does arise as to whether there is not some

possibility that Graaf might form a government. I believe that he assured you, as he did me, that if he formed a government he would end the present apartheid policies, recognizing however that this must be a long-term programme of education and preparation. I gathered that he had in mind something similar to what they are doing in Pakistan, where an effort is being made to create a civic consciousness through a system of free voting in the municipalities. There is also the plight of the Anglo-Saxon settlers, as well as those from India and Malaya, to be considered. It is not clear what the attitude of the present government might be if action were taken which they would regard as punitive. I am inclined to think they might react somewhat vigorously.

It seems to me that to some extent the present situation is complicated by the announced intention of Ghana, Guinea and Mali to form a union. The attitude of the United Kingdom Government at present is that there is little evidence yet of any clear thinking on this subject by Nkrumah or Sekou Touré, and they are still inclined to think that this flight of imagination may get no farther off the ground than the original announcement of a union between Ghana and Guinea. However, it would seem that the discussions will be carried on in a somewhat unrealistic atmosphere if this subject is not mentioned. If it is, then I should think that judging by earlier performances Nkrumah is likely to assert his intention of going ahead with this plan, probably to an extent which goes far beyond anything for which he is yet ready. What then will be the attitude of the other members of the Commonwealth?

If this situation should arise, it would seem that there would be every possibility that the Conference would be called upon to deal not merely with the question of one continuing membership, but possibly two.

I am only venturing a guess, but I should think that if this subject should come up South Africa would find this a convenient diversion and seek to create the impression that it would be unreasonable to deal with the South African situation on one ground and not deal with the situation raised by Ghana on the other. It is true that the issues are of a different nature, but certainly they are issues which relate to the possibility of continuing membership in the Commonwealth.

It is clear that the pattern which the United Kingdom Government would like to have adopted is to take the position that the South African situation is a domestic problem and that, from their point of view, the rights of the white settlers from Britain, as well as the coloured and blacks themselves, are more likely to be advanced by keeping South Africa in the Commonwealth and not inviting still sterner measures. Along with this, they apparently hope to avoid discussion about the Ghana situation on the ground that nothing of a positive nature has materialized.

It seems to me that this is going to be a very difficult feat of slack wire balancing. I find it difficult to believe that some discussion will not arise as a result of Nkrumah's statement and, if opposition is shown to the plan he has proposed, then I foresee the likelihood of emotions being aroused on the basis of colour, and a solution of the South African situation on any negative basis becoming increasingly difficult.

As I reported in my telegram† last week, Lord Home assured me that the Government has not considered a definite position in regard to the continuing position of Ghana if, in fact, their declared intention of union with Guinea and Mali were carried out. They still hope that this is a non-starter. However, it does seem somewhat unlikely that no comment about this possibility will be made and, if it is, I should think it likely that a discussion of the qualification for membership in the Commonwealth is likely to range over a fairly wide field.

This brings me to a question which I think will have to be faced. Under the present procedure, the Secretary of State for Colonial Affairs supervises the negotiation and the final arrangements under which colonial territories become self-governing nations. Those who are

already members of the Commonwealth have nothing to do with the situation at that stage. The constitution, form of government and various aspects of the rights of the citizens, are settled and then the other members of the Commonwealth are confronted with a *fait accompli*, and are apparently expected to accept the new member without having had anything to do with the details of his initiation. There are perhaps ten colonial territories which may be given self-government in the not-too-distant future and, having regard to some of the things that have already happened, I should think that the older members of the Commonwealth, and particularly Canada which was the birthplace of the whole concept of a Commonwealth of self-governing nations, might consider it wise that some basic qualifications for membership are recognized and that the mere act of conferring self-government under a procedure in which the other members of the Commonwealth have had no part will not in itself be regarded as qualification for membership.

I have placed these thoughts before you because I have become increasingly concerned about the possibility that unless there are very clear ideas, particularly in the minds of those representing the older member of the Commonwealth, we may move forward into a period when there is so little common belief or purpose that it would become increasingly difficult to declare with any measure of conviction that the Commonwealth is a real fellowship of free nations.

It has always been said that the Commonwealth and, in earlier days the Empire, could not be defined. Having said that, an attempt was usually made to define it by explaining that it was a voluntary partnership of self-governing nations under one Crown, which was the symbol of a common system of parliamentary government and equal justice to all its people assured by public hearings in impartial courts. We have already strayed a long way from that concept, and I find it difficult not to believe that if we stray much farther there may cease to be any reality in the claim that this is a unique fellowship of free nations.

If you share my concern on any of these points, it seems that it might be highly desirable for you to raise them directly with Harold Macmillan, with the hope that he might give you some of his own personal ideas which perhaps go beyond anything he has yet discussed, even in his own Cabinet. If on the other hand you wish any points raised with him personally here in London, I could take them up with him at your request. I am sure he would speak to me with complete frankness.

To return to the subject of South Africa and Ghana, it may be possible that it would be wise to seek some formula for delaying consideration of the particular issues they have raised if, in your opinion, the time has come to give consideration to the broader question as to what measure of real political freedom and justice for the individual should be an essential consideration of membership in the Commonwealth. I have written at this length because of my own growing concern that, if we simply drift along with no clear purpose, we may well drift apart.

Yours ever,

GEORGE [DREW]

463.

DEA/50085-J-40

Note pour le premier ministre
Memorandum for Prime Minister

CONFIDENTIAL

[Ottawa], February 9, 1961

THE CHANGING NATURE OF THE COMMONWEALTH

At the forthcoming meeting in London the Prime Ministers are to consider two questions which have great significance for the future of the Commonwealth:

(a) whether to deny continued membership to a state because its policies are deemed to be at variance with one of the principles of the multi-racial Commonwealth association; and

(b) whether to admit a number of new members and thus alter drastically the racial balance among members of the Commonwealth, risk destroying the intimate and informal character of Prime Ministers' meetings (by increasing the size of the group) and risk derogating from the prestige and importance of Commonwealth gatherings (by admitting small and relatively unimportant states).

With this prospect in mind it was thought that it might be of interest to you to review briefly, in Part I of this paper, the significant stages in the development of the Commonwealth to date and to assess, in Part II, a number of suggestions for changing the nature of this unique association.

PART I

First Stage (1926-1947)

The first formal attempt to describe the status and mutual relationship of member nations was a pronouncement at the Imperial Conference of 1926 which described them as: "autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations." As a commentary on this definition of status the conference added, "the British Empire is not founded on negotiations. It depends essentially, if not formally, on positive ideals. Free institutions are its life blood. Free co-operation is its instrument. Peace, security and progress are among its objects ... and though every Dominion is now, and must always remain, the sole judge of the nature and extent of its cooperation, no common cause will, in our opinion, be thereby imperilled." On December 11, 1931, the Statute of Westminster by legal enactment recognized the status of the Dominions as defined at the Imperial Conference of 1926.

In this first stage the Commonwealth consisted of the U.K. and a group of independent states dominated by persons of European origin, sharing in general a common cultural and institutional background, enjoying relatively equal standards of living and already intimately acquainted with one another. To some of these states were attached various dependent territories. This first stage resulted from a desire to establish an acceptable form of relationship between the U.K. and a series of areas which had been colonized in whole or in part from the U.K. These colonies had matured to a degree where colonial relationship was no longer appropriate. It was not a struggle for freedom but rather a search for a relationship which would combine continued connection between the various members with the self-government called for by the maturity which had been reached. The solution reached was an agreed one, intended to be mutually advantageous. The constitutional aspect of the changed relationship was negative rather than positive, i.e., it removed practically all U.K. controls. There was no

attempt to set up a positive constitutional framework since none had been found which could be agreed between the parties concerned. It was inevitable that there should be in this group a strong consciousness of bilateral relationships with the U.K. and much of that consciousness has remained.

Second Stage (1947-1960)

The second stage began in 1947-49 with the admission of members which had been conquered rather than colonized, had no racial ties with the U.K. and did not wish to retain the formal link with the Crown. This change was symbolized by the declaration issued at the conclusion of the Prime Ministers' meeting in 1949. "The Government of India have declared and approved India's desire to continue her full membership of the Commonwealth of Nations and her acceptance of the King as the symbol of the free association of the independent member nations and as such the head of the Commonwealth. The governments of the other countries of the Commonwealth, the basis of whose membership is not hereby changed, accept and recognize India's continuing membership in accordance with the terms of this declaration." Canada played a considerable part in working out this formula which paved the way for the development of the new Commonwealth. Similar declarations were issued by Prime Ministers' meetings regarding Pakistan in 1955, Ceylon in 1956 and Ghana in 1960.

The resultant Commonwealth was multi-racial, the heavy majority of population being Asian; but the new states were by no means without political experience and judgment and were thought to be viable economically, politically and constitutionally. Further, all of these new second stage members had substantial populations. Each new member had an indigenous culture but had built its governmental and economic structure largely on British lines. These non-white areas had in common with the white group a bilateral relationship with the U.K. There was, however, an added and contradictory element to the degree that there was some affinity between these former colonial territories, based on race and on the fact that they shared some residual resentment of the former foreign domination. The departure of Ireland and Burma in this period demonstrated that a right of secession existed. This underlined the free and voluntary nature of the association.

Third Stage

The 1960 Commonwealth Prime Ministers' meeting may well prove to have initiated a new stage in Commonwealth development. For the first time the Prime Ministers declared publicly that they were not prepared to give advance consent to a charter member remaining in the Commonwealth after it became a republic. It is true that the South African case is not quite comparable to any previous one because the will of the South African people was in some doubt (unlike the cases of India, Pakistan, and Ceylon where there was all-party agreement in the national legislature and unlike Ghana where a plebiscite had already been held); nevertheless, there was a clear understanding that it was not so much this technicality which prevented the Prime Ministers from giving advance consent as their doubt about South Africa's fitness for membership on more general grounds. The Prime Ministers established another important precedent, too, when they implied that an obligation of membership in the multi-racial Commonwealth was a consciousness of "the need to ensure good relations between all member states and peoples of the Commonwealth." Few observers can have failed to realize that the decisions on membership and on racial relations were intimately connected and involved a new departure for the Commonwealth. Thus, in retrospect it may be seen that the Commonwealth has developed from a largely Anglo-Saxon group banded together partly for negative reasons, and with an automatic membership, to a rather multi-racial association with positive, if not clearly defined, aims and functions, in which membership is no longer considered a right but a privilege which may be revoked if a member fails to meet Commonwealth standards.

PART II

If, as seems possible, the Commonwealth is on the threshold of a new stage in its development it seems appropriate that possible future changes should be considered, especially by Canada which has had such a large hand in shaping the Commonwealth in the past. Various possible changes are considered below:

1. *To develop a common foreign policy.*

This goal seems attractive at first glance and has been urged on various occasions in the past. The Imperial War Cabinet of 1918, the British Empire delegation at the Paris Peace Conference, the Imperial Conference of 1921 and the British Empire delegation at the Disarmament Conference in Washington represent the sole experiments in evolving common policy, corporately implemented. This phase had, however, a brief life. The cool attitude of Mr. King toward the sudden appeal from the U.K. in the Chanak affair and the tacit agreement of both governments that Canada should not be represented in the delegation at the Lausanne conference signified the end of the experiment in common policy. Similarly, Mr. King rejected ideas for some kind of council or committee which could at least attempt to co-ordinate main themes of policy. He repeatedly pointed to the adequacy of exchange of information and views which took place by a variety of less formal means. The fact of the matter is that a common foreign policy is not a practical possibility as long as the Commonwealth consists of independent governments with divergent views and many individual international problems. The most authoritative recent pronouncement on this question was your statement in the House on February 3, 1961.

“Insofar as the objective of attaining disarmament is concerned, all the nations of the Commonwealth are in agreement, but I would make very clear that each nation speaks for itself. None of the nations can speak for the others on any matter connected with the individual responsibility and independence of the nations composing the Commonwealth.”

The Commonwealth Prime Ministers’ meeting of 1955 also made an apt comment on the matter in its communiqué³ which read “among its members are countries of importance in all quarters of the globe. Its strength and influence in the world today are derived from this and from a common outlook which, in spite of differences of geography, religion and race, evokes a broadly similar response to most international problems of the day.”

2. *To formulate a series of Commonwealth principles or standards of behaviour to which all members would be expected to conform.*

This suggestion, like that of a common foreign policy, has often been made and at first sight it, too, seems attractive. However, it does not seem to be feasible to give any very precise or meaningful statement of the principles held in common by Commonwealth members. The possible principles that come to mind are:

- (a) *The desire for peace.* This is shared by all members (with the possible exception of Ghana, whose Congo policies have exhibited little concern for peace) but this principle is hardly an exclusive attribute of the Commonwealth;
- (b) *The renunciation of aggression.* India and Pakistan have argued that the other was guilty of aggression in Kashmir.
- (c) *The settlement of international disputes by negotiation.* South Africa has refused to negotiate its disputes with India and Pakistan over the treatment of people of Indo-Pakistani origin in the Union. Pakistan claims India has refused to negotiate over Kashmir.

³ Voir/See Nicholas Mansergh, ed., *Documents and Speeches on Commonwealth Affairs, 1952-1962* (London: Oxford University Press, 1963), pp. 290-91.

(d) *The acceptance of democracy and the rule of law.* Pakistan, Ghana and South Africa obviously do not conform to the British and Canadian concepts of these terms. They would argue, however, that they have only adopted new forms in order to meet local circumstances and that, as the Queen said on her recent visit to Karachi, "The forms are not sacred: the ideals behind them are. These ideals are often debated at great length, but I think that they can be said quite briefly: the service of God and the humanity of man to man."

(e) *The right to civil liberties.* The basic freedoms of speech and association are variously interpreted as between Canada and any of the new Commonwealth members. Freedom of the press has narrow boundaries in Ghana, for example, where criticism of the government may conveniently be classified as sedition.

(f) *Opposition to militant communism.* It is questionable how far Ghana and Ceylon meet this test.

(g) *The acceptance of responsibility to work toward "freedom from want".* Here there is genuine agreement as expressed in the Colombo and other Commonwealth aid plans.

(h) *The desire to work for better relations among all races based on respect for the individual regardless of race, colour, or creed.* South Africa is the obvious exception.

3. *To devise acceptable criteria of membership to govern the admission of future candidates.*

In order to limit attendance at future meetings of Commonwealth Prime Ministers, it has been suggested that new candidates for membership would have to meet certain objective criteria. It has been proposed, for example, that a line might be drawn at a population figure of one million or at some arbitrary level of gross national product. Above this line independent territories would have the right to attend Prime Ministers meetings; below it they would not. The disadvantages of this solution have been set forth cogently by the officials who met at Chequers in July⁴ to study this problem:

"It has been an accepted principle of the Commonwealth that its members have equal rights and privileges within the Commonwealth regardless of their size; and this solution would offend against the principle. It could also be held to be illogical for countries which had achieved membership of the United Nations on equal terms with other Commonwealth members to be denied a similar position within the Commonwealth. Finally, it seems unlikely that many of the smaller countries would be prepared to accept membership on these terms."

Nor would the practical benefit be very striking. If the line were drawn at a population of one million it would restrict the size of meetings to eighteen, whereas if no line were drawn the membership would probably increase to a total of 24 at most.

If, then, it is unlikely that the Commonwealth will change along the foregoing, frequently-suggested lines, we must consider other possible changes:

4. *To give tangible proof of working for better relations among all races of the Commonwealth.*

As discussed under point (1) it would seem difficult to draw up a set of broad Commonwealth principles, but this need not mean that more emphasis might not be given, in other ways, to the most important of these principles – multi-racialism. You have said on numerous occasions that one of the main values of the Commonwealth is its function as a bridge of understanding between various races and cultures. It would therefore seem desirable to underline the principle of racial equality on which this relationship must ultimately rest. In the eyes of many, the Commonwealth may cease to stand for anything meaningful if it fails to follow up the multiracial assertions of the last meeting by demonstrating, that acceptance of the

⁴ Voir Volume 27, le chapitre III, 2^e partie./See Volume 27, Chapter III, Part 2.

ideal of “good relations between all ... peoples of the Commonwealth” is now a condition of membership.

There are other ways too in which the Commonwealth could give concrete evidence of its aim of improving racial relations. The appointment of a distinguished Asian to a high judicial or state office (e.g., as Governor-General) in one of the old Dominions, for example, would dramatically symbolize “white” acceptance of the new multiracial Commonwealth. Again, the member states might consider founding jointly or singly a Commonwealth Race Relations Institute in which social scientists could make scholarly studies of racial problems. Perhaps Canada might fittingly suggest that such an institute have its headquarters in The West Indies which has set an example of harmonious relations between peoples of European, Asian and African origin.⁵

A new emphasis on the multi-racial nature of the Commonwealth need not affect the immigration policies of member countries. No country has advocated a common citizenship for the Commonwealth because all realize that it would derogate from the sovereignty of the individual members if they did not have the right to determine the size and type of their immigration. As early as the Imperial Conference of 1921, the Indian delegates concurred in a resolution recognizing “that each community of the British Commonwealth should enjoy complete control of the composition of its own population by means of restrictions of immigration.”

5. To focus on a series of direct multilateral relationships between the various members rather than to emphasize the paramountcy of the bilateral relationships between the U.K. and each individual member.

The strong ties of all members with the U.K. are natural and commendable, but they should now be supplemented by encouraging closer direct links between, for example, Canada and Nigeria or Canada and The West Indies. The figure of the wheel has often been used to illustrate the Commonwealth relationship – with London at the centre joined by spokes to the various members on the circumference; our point is not that we should weaken the spokes but that we should strengthen the rim which joins all the ex-colonies together.

To foster these closer relations you might consider advocating again that Prime Ministerial and other Commonwealth meetings should change their venue from time to time, not on any rigid rotational basis but often enough to demonstrate that London is not the only place where meetings can appropriately be held. You might also stress publicly that it is now a firm Canadian policy to give first priority to establishing close diplomatic contact with Commonwealth countries despite very real pressure from many foreign capitals for diplomatic exchanges.

You might also consider imitating the British practice of passing a good deal of information, both in writing and orally, on a variety of international problems to all members of the Commonwealth. We do, of course, have a considerable exchange of papers with the U.K., Australia and New Zealand and there are also a fair number of oral exchanges with other members, on an *ad hoc* basis, at various levels and in various capitals. There is, however, practically no systematic exchange of papers between Ottawa and the new Commonwealth capitals. It is unlikely we would ever wish to exchange as much information with Asia and Africa as with London and Wellington; nevertheless, consideration might well be given to setting up a Commonwealth committee to study ways in which the exchange of a certain amount of political information might be facilitated. It would be necessary, however, to distinguish between the desirability of a voluntary exchange of information and opinion on the

⁵ Note marginale :/Marginal note:

What of countries which recognize Queen as Head only? [John G. Diefenbaker]

one hand and any obligation to consult (which might involve commitment) on the other. On the question of consultation, perhaps at some stage a Commonwealth meeting might wish to consider whether it could formulate a general guide to members along the lines of the suggestion made by the Imperial Conference of 1926. This suggestion was as follows: a government engaged in treaty negotiation or intending to take other international action which might be of immediate concern to other Commonwealth governments should, at its discretion, inform those other members who are considered to be interested; the recipients could then express their views if they wished, that is to say, to initiate consultation.

Economic co-operation has been and will continue to be one of the most important ways of strengthening direct links between the members of the Commonwealth. One might emphasize particularly the exchanges of experts and students under the Colombo Plan and the Commonwealth Scholarship Programme because these foster not only technical knowledge but also a mutual appreciation of different cultures and races. One of the most significant developments of recent years has been that Commonwealth co-operation is now flowing in several directions with the countries of Asia extending modest technical and educational assistance to the new members in Africa.

Closer Commonwealth links could also be forged by encouraging more study of the Commonwealth and its member nations in the educational institutions of the various countries. A few days ago the British Minister of Education expressed his concern at the lack of attention paid to the Commonwealth in the curriculum of British schools. Undoubtedly, the same comment could be made in other Commonwealth countries. One way of countering this might be to encourage more exchange visits with teachers and journalists of other Commonwealth countries. We might also call for the setting up of chairs of Commonwealth studies in Canadian and other Commonwealth universities and encourage the writing of a series of books on "the Commonwealth to-day."

Even this brief review of Commonwealth history makes it evident that the association has always had a great facility for development and adaptation to changing circumstances. Some of the developments in the past would seem to have come about more by a process of natural evolution than because of conscious direction and forethought. At this critical juncture, it seems desirable that Commonwealth leaders give serious consideration to whether some changes might from now on be consciously implemented in order to further the development of those great potentialities for good which the Commonwealth has always possessed.

464.

DEA/50085-J-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], February 11, 1961

SOUTH AFRICA

On February 10 the Prime Minister said that he had had a talk about South Africa and the Commonwealth with Lady Jackson (Barbara Ward), whose views had been of considerable interest to him. While she had not explicitly advocated that South Africa be forced out of the Commonwealth, she had said that if South Africa were to be allowed to stay in, the pressures in countries such as Ghana, Nigeria and Malaya would be so strong that in a comparatively short time the withdrawal of the non-white nations would follow. Lady Jackson had also said

to the Prime Minister that she favoured a declaration of principles for the Commonwealth. The Prime Minister said that she seemed to think that such a declaration would be valuable as a statement of objectives which member countries should constantly be striving to attain.

2. The Prime Minister went on to say that his first aim at the Prime Ministers' Meeting would be to try once again to bring about some concession on the part of South Africa, a concession of sufficient significance to forestall extreme measures such as the refusal of consent to South Africa's continuing membership. If, despite all efforts at persuasion, Dr. Verwoerd were to make it clear that he was not prepared to make concessions of significance, the Prime Minister said that he favoured "postponement." I am not sure, but will try in due course to determine, whether the Prime Minister meant that consent would be withheld pending developments or whether consent would be given and the question of South Africa's membership re-examined at a future meeting.

3. I have reported separately on the Prime Minister's reaction to the memorandum of February 6 regarding South Africa's candidacy for the Security Council.⁶ You will note that while the Prime Minister was interested in the idea of raising the Security Council problem at the Prime Ministers' Meeting, he was not prepared to decide now whether or not he would put it forward. This I take to be consistent with Mr. Diefenbaker's continuing hope that the combined efforts of the Prime Ministers will be successful in eliciting some promise of concessions from Dr. Verwoerd or in discovering some other respectable way of taking the heat off.⁷

H.B. R[OBINSON]

465.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], February 11, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Fisheries (Mr. MacLean),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of Agriculture (Mr. Alvin Hamilton),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Minister without Portfolio (Mr. Halpenny).

⁶ Voir/See document 162.

⁷ Note marginale :/Marginal note:
Noted. N.A. R[obertson] 13.2.61

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

SOUTH AFRICA; CANADIAN POLICY

1. *The Prime Minister* said he wished to obtain the views of his colleagues on the position he should take at the Commonwealth Prime Minister's Conference on the readmission of South Africa to the Commonwealth as a Republic. He had obtained reports on the views of other Commonwealth countries.†

Pakistan would probably condemn the apartheid policy but would not take the initiative in proposing that South Africa be denied membership. The Pakistan government believed that South Africa should remain in the Commonwealth, so that other members might be able to influence them in future years. It was assumed that the unanimity rule would apply at the Conference. Pakistan would not decide in advance whether or not they would propose rejection of an application from South Africa for readmission.

Ceylon would probably follow Canada in any stand this country might take. A strong and adverse reaction would be expected however, both in Ceylon and generally throughout the Afro-Asian countries, if South Africa should be simply welcomed into the Commonwealth without a resolution that non-discrimination was a basic principle of the Commonwealth. Any such resolution should be proposed by one of the "white" nations, and need not mention South Africa directly.

Ghana had originally favoured a policy of condemning apartheid but admitting South Africa. Nkrumah had spoken of the distinction between acceptance of the territory of South Africa within the Commonwealth, as contrasted with approval or recognition of the present government of that country. Recently, however, the opinion of the Ghana government had been hardening. A few days previously he had met Lady Jackson (Barbara Ward), wife of Sir Robert Jackson, a senior adviser to Nkrumah, who had stated that, unless strong action was taken at the Conference, the various new African governments might soon be defeated and replaced by communist or pseudo-communist regimes.

Nigeria shared the Ghanaian view that South Africa should not be readmitted.

In India, the view was that the position of the South African negro had become worse since the previous Commonwealth Conference, and that the influence of the Commonwealth had been disappointing. Mr. Nehru had stated that South Africa represented a crucial test of Commonwealth solidarity. The U.K. government in particular, though not the British public, had been vacillating in its attitude. India thought that apartheid should be condemned and that South Africa should be readmitted on "probation," i.e., on the specific understanding that its policies would be modified. India would probably not take the lead at the Conference.

South Africa, on the other hand, was taking the position that its membership should be automatic. In a recent speech, Mr. Verwoerd had stated that his mandate was to constitute within the Commonwealth, but he "would not pay any price" in terms of permitting interference in the domestic policies of his country, particularly as he had been elected on the basis of those policies. Any such interference would be a reflection on South Africa's national honour. This speech may have been made to prepare Mr. Verwoerd's followers for a break with the Commonwealth.

The United Kingdom was obviously taking all possible steps to promote the readmission of South Africa, and U.K. spokesmen were using different arguments in different countries. United Kingdom policy had reached the opposite pole from the position expressed a year ago by Mr. Macmillan in his "Winds of Change" speech.

Australia would probably support the British position.

New Zealand would probably do the same, but was having difficulty in determining its policy. Their national football team had been obliged to leave its Maori members at home during the team's recent visit to South Africa, and this had caused serious criticism.

Malaya was unlikely to take the lead in opposing readmission.

In general, the non-white nations were watching Canada, and were hinting that they would support Canada in opposing readmission of South Africa. He would be the second speaker on the subject, following Mr. Macmillan, in order of seniority.

2. *The Secretary of State for External Affairs* said that at the Conference the Prime Minister should state categorically that Canada opposed apartheid and would not support the election of South Africa to the United Nations Security Council. Other Prime Ministers would probably follow this lead, and South Africa might then withdraw from the Conference before the more difficult question of Commonwealth membership arose directly.

The Conservative party had always been for the Commonwealth and if the Canadian government led the move to exclude South Africa, it would suffer severely at the polls.

The treatment of South Africa at this time was of crucial importance. It could be the step leading to the break-up of the Commonwealth, particularly as Ghana and some other new nations had no strong reason for desiring to continue as members. Canada should not be responsible for possibly destroying the Commonwealth.

Another question was whether the South African issue should be debated in the House of Commons prior to the Conference. He believed this would be undesirable, because it would lead to acrimonious debate and would make the Prime Minister's position at the conference more difficult.

Apartheid was condemned by most nations, but the question of readmission of South Africa was really a separate question with separate implications. Canada would vote for the admission of Cyprus, despite the record of Prime Minister Makarios. In these circumstances, it would appear inconsistent to oppose the membership of a nation that had fought by Canada's side in two world wars and had produced a man like General Smuts.

3. *During the discussion* the following points were raised:

(a) The crisis would not be averted by stating at the Conference that Canada would oppose the election of South Africa to the United Nations Security Council because of its racial policy. Mr. Verwoerd had made it clear that he would lead his country out of the Commonwealth if the other members interfered in South Africa's domestic affairs. On the other hand, if the crisis was precipitated on the issue of Security Council membership, the initiative in leaving the Commonwealth would be taken by South Africa.

(b) The strongest argument in favour of admitting South Africa was that refusal would involve betrayal of the negro population and of the 40 per cent of the white electorate that opposed Mr. Verwoerd. The South African opposition party favoured apartheid, but in a less extreme form. Some years hence, the government of South Africa would change, and the other nations would have less influence upon the country if it had meanwhile been excluded from the Commonwealth. There had been some recent signs of a possible softening in the attitude of the Boers. For example, eleven clergymen of the Dutch Reform Church had published a book condemning apartheid.⁸

⁸ A.S. Beyser et al., *Delayed Action: An Ecumenical Witness from the Afrikaans-Speaking Church* (Pretoria: Published by the Authors, 1960).

(c) The Canadian people as a whole had shown no strong views on the subject of apartheid. Various leading newspapers, however, had published editorials urging that South Africa be denied admission. The Cabinet at a subsequent meeting should review the recent newspaper reaction.

(d) The Commonwealth was one of the strongest forces for peace, and should be held together by all possible means. It represented the main hope of preventing relations between the United States and U.S.S.R. from becoming progressively more hostile.

(e) The Canadian public were strongly loyal to the Commonwealth and would strongly condemn the government if it took any action that might imperil Commonwealth solidarity.

(f) South Africa might have improved the situation by giving some degree of representation in its legislature to the Bantu population, but had, in fact, done nothing since the last Commonwealth Conference to modify its position. On the other hand, the excesses of the Mau Mau in Kenya and the disorder in the Congo suggested that perhaps the present was a poor time to expect concessions by the Boers.

(g) Some Ministers said that, in view of the recent admission of various nations to the Commonwealth, the white members were already in a minority, and their position would be still weaker if South Africa ceased to be a member.

(h) Some said that the exclusion of South Africa might, in fact, strengthen the Commonwealth as a multi-racial family, and might give the new nations a stronger reason for continuing as members. Apart from this, no common principle united these nations. Ghana would not be in the Commonwealth if it were confined to those nations that followed parliamentary principles; neither Ghana nor Ceylon if the rule of law were a principle necessary for membership involved freedom of worship.

(i) For 25 years Mr. Diefenbaker had been regarded by the Canadian public as a strong proponent of freedom of the individual, and of civil rights. The Bill of Rights was closely associated with his name. This reputation had greatly added to the strength of the Conservative party. The government and the party might both suffer serious loss of support if Mr. Diefenbaker agreed to the readmission of South Africa to the Commonwealth. The Liberal party would also be given an opportunity to pose as the champions of freedom.

(j) Some Ministers said that, if the non-white nations of the Commonwealth were not prepared to take the lead at the Conference, Canada should not do so. A change in the order of speaking was highly desirable from Canada's viewpoint. For example, the delegate from the most junior member-country might speak first. Mr. Diefenbaker was clearly in the most difficult position, and he could hardly take the initiative to seek a change in the usual procedure.

(k) It was easy for Canadians to condemn the apartheid policy, because Canadians would not have to face the alternative. The Canadian government had given the vote to the Indians, but this group was not sufficiently numerous to threaten to take political control. The Boers had settled in South Africa before the Bantus, and if the Boers' immigration policy had from the outset been like Canada's at this time, the negroes would still be in a very small minority there.

(l) South Africa was at this time a member of the Commonwealth, and would not become a republic until the end of May 1961. The communiqué issued at the time of the last Commonwealth Conference⁹ had stated that, subsequently to "deciding" to become a republic, South Africa might seek readmission to the Commonwealth if it so desired. The Bill to constitute the republic had passed second reading but had gone no farther. In these

⁹ Voir/See Nicholas Mansergh, ed., *Documents and Speeches on Commonwealth Affairs, 1952-1962* (London: Oxford University Press, 1963), pp. 553-55.

circumstances perhaps it could be contended that South Africa had not yet “decided” to become a republic and that therefore the Conference should not deal with the hypothetical question of the country’s future status.

4. *The Cabinet* agreed to discuss further, at another meeting, the policy to be expressed on behalf of Canada at the Commonwealth Prime Ministers’ Conference, on the readmission of South Africa to membership in the Commonwealth as a republic.

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466.

DEA/50085-J-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

SECRET AND PERSONAL.

London, February 23, 1961

My dear John [Diefenbaker]:

I shall do my best to sum up as briefly as possible in this letter some of my impressions in regard to the South African situation as it has been developing recently. I shall send you a further letter in more detail which I hope will reach you on Monday. I do want to place certain thoughts before you, however, as speedily as possible.

In one of our recent telephone conversations we discussed the possibility of persuading the newer members of the Commonwealth to speak first on the South African question. As recently as yesterday I sounded out the High Commissioners for Malaya, Ceylon and Nigeria, separately of course, and I am sure that it will be impossible to persuade them to take the lead. It is obvious that the countries represented by those I have mentioned, as well as Ghana, India and probably Pakistan, are looking to Canada for a declaration of our position.

At the same time I should say that even those who might be expected to hold the strongest views seem to be cautious about adopting a course which might mean the exclusion of South Africa. There is little doubt that this is in part the result of the very active campaign which has been carried on by Duncan Sandys and officials of his department to support the proposition that the internal policies of any member of the Commonwealth are not a subject for consideration at a Commonwealth Conference. I do not think, however, that it can be assumed that their attitude is only the result of the arguments which have undoubtedly been placed before them. I gather the impression that they all have some concern about how far the trend might develop if it is once established that membership in the Commonwealth is subject to approval of domestic policies. I have an idea that all of them think that some aspects of their own domestic activities might be subject to question.

I have little doubt that this is the reason why Australia is so firm in stating its belief that domestic policies are not a subject which should be discussed at this conference. It is sometimes forgotten that they have a very important color problem of their own. As you know they have administrative responsibility over New Guinea and Papua. In the two islands there are about 25,000 whites and a minimum of 2,000,000 natives. The figure may be much higher than that because extensive areas have never even been surveyed. That territory is administered by a Legislative Council of 36, of whom a minimum of 11 are to be black, but under the present law even with the few added appointments which can be made they will always be a minority in the administrative Council. There is no representative in the Parliament at Canberra, but the administrative direction is in the hands of an Administrator appointed by the

Federal Government. I merely mention this to indicate that there are practical considerations why Australia and even New Zealand are a little hesitant on this point.

Having said that, I think it is clear that if you took a definite stand against permitting South African to remain in the Commonwealth, you would be followed by India, Malaya, Ceylon, Ghana, Nigeria, and probably Pakistan.

I need not repeat any of the arguments as to why Canada should take a firm stand on this subject. Nobody in the Commonwealth has more clearly stated the principles of human rights and equality under the law than you have personally. It is difficult to rationalize any implied suggestion of approval of South Africa's course with those principles.

I think it is right, however, that I put before you thoughts which I have heard expressed in the past few days which might perhaps have some bearing on the decision which you must make, if you should come to the conclusion that those in South Africa who do not support apartheid, and that includes the leaders of all the churches except the Dutch Reformed Church, and even some of them, should be given a further opportunity to work for legislative reforms within the framework of the commonwealth.

It has been suggested that no machinery exists within the Commonwealth to conduct enquiries or take any action in regard to internal policies of the governments of any of the member states. They are, however, all members of the United Nations, which has the machinery and has the power to conduct such enquiries and take such action as may be supported by the United Nations.

This may be a specious argument, but I did not think I should ignore the suggestion which has been made that this situation could be met by the statement that any of these questions can be dealt with through the United Nations, whereas neither the machinery nor the authority exists to deal with them within the Commonwealth. If such a position were regarded as tenable, a statement to that effect could of course be accompanied by an unqualified declaration of disapproval and rejection of apartheid and the treatment of minorities by the present South African Government.

I leave the subject there for the moment. This point of view, however, was only put forward today, and I wanted to pass it on immediately for what it is worth. I shall amplify my thoughts on this subject in a further letter tomorrow.

All of the best

Yours ever

GEORGE [DREW]

467.

J.G.D./MG01/XII/C/404

*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], February 24, 1961

SOUTH AFRICA AND THE COMMONWEALTH

A further study has been made of the question of what action might be proposed or should be taken in respect of the continued presence of South Africa in the Commonwealth.

2. The following factors appear to be of particular significance at the present time:

(a) South African membership is, because of that country's racial problems, set in the ferment taking place in the whole of Africa. It could be argued either that its exclusion or withdrawal could influence a break-up of the Federation of Rhodesia and Nyasaland or, on the contrary, that the continued membership of South Africa could weaken the Commonwealth and Western position in the continent as a whole;

(b) There is no ready reconciliation between the accepted doctrine of diversity within the Commonwealth on the one hand and, on the other, the general concept of common support of basic principles and ideals;

(c) Though final positions have not been taken in the various Commonwealth countries, there is evidence of differences. In this connection it is obviously desirable to avoid a division on colour lines;

(d) As to the position within South Africa, it seems evident that the present Government can command a sufficient majority in Parliament and will probably remain in office for some time. Dr. Verwoerd would then be politically safe in maintaining an intransigent position. On the other hand, there is below the surface a real difference within the Nationalist Party between the die-hards in the Transvaal and the more liberal wing in the Cape. Strong and not insignificant opposition to the present Government's attitude on the complex of racial policies and Commonwealth membership has been shown by the Opposition parties and, perhaps more significantly, by important sections of the Dutch Reform Church. How far this opposition to extreme policies can influence the Government or when that influence might occur is unknown;

(e) There is within Canada and elsewhere wide public interest in the membership of South Africa in the Commonwealth and this interest can be anticipated as increasing through the press and through various African groups in London.

3. Given these circumstances, it does not seem probable that the substantive question of South African racial policies can be avoided at the London meeting, or that no discussion would take place. It is perhaps a safe presumption that in some way the countries of the Commonwealth must register their support of progress toward racial equality, though it would be difficult to find an expression which the South Africans could support.

4. The difficult question remains of how best to approach this matter, bearing in mind both the force and diversity of opinion and the possibility that Dr. Verwoerd would withdraw from the meeting and perhaps from the Commonwealth if there were any discussion of what he regards as domestic affairs.

5. From what is known now it seems not unlikely that some of the Prime Ministers would be prepared to accept South African membership unconditionally, while others might take an extreme line in the other direction. If this is true, there is an argument in favour of initiating a middle course which might attract a consensus and might conceivably not provoke complete resistance by South Africa.

6. Of the possible approaches, three in particular suggest themselves:

(a) By reference to the Commonwealth seat on the Security Council in the discussion of United Nations Affairs to demonstrate that apartheid has Commonwealth and international repercussions – and cannot any longer be regarded solely as a matter of domestic policy;

(b) By drawing attention to the serious gap between the views of some members and those of South Africa on the principle of racial equality, and reflecting this absence of agreement in a passage in the communiqué;

(c) The optimum and perhaps most difficult solution would be found only if Dr. Verwoerd were prepared to be conciliatory and to forecast a gradual amelioration of his policies. While such an amelioration could hardly be closely defined, it might be sufficient to satisfy that large body of opinion which criticizes South Africa for proceeding consistently in the wrong direction.

H.C. G[REEN]

468.

DEA/50085-J-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

PERSONAL AND CONFIDENTIAL

London, February 24, 1961

I would not add to your burdens at this time were it not for the fact that the decision you will be called upon to make in regard to South Africa must be one of the most difficult with which you have been confronted, and certainly few decisions will have more far-reaching consequences.

The explosive developments in different parts of Africa, culminating in the vigorous dispute between Sir Roy Welensky and the British Government during the past forty-eight hours,¹⁰ have undoubtedly produced an emotional tension in regard to any racial questions, which will make it much more difficult to conduct an objective discussion of apartheid and its effect on South Africa's continuing membership in the Commonwealth. Only today the High Commissioner for Nigeria said to me that, if this had happened earlier, it might have been best to find some excuse for postponing the Conference. I am sure this reflects a general sentiment in London, but obviously it is now too late to contemplate that possibility. My impression is that there is a growing sentiment, as much on the part of those members of the Commonwealth who might be described as coloured as in the case of those who would be described as white, in favour of finding some device by which a clash with South Africa at this time may be avoided.

I shall approach the subject, therefore, from that point of view. As I said in my letter yesterday, I need put forward none of the arguments as to why a stand should be taken against South Africa's continued membership. I shall, therefore, put before you the other side of the case and, in doing so, I need hardly say that my views on racial discrimination are similar to your own. In fact, you will recall that I was responsible for the introduction of the first Anti-Discrimination Laws in Canada when they were introduced in Ontario. I put forward those points which it seems to be might be given consideration if there should be a general decision that, if possible, it is unwise at this time to do anything which might have a chain reaction throughout the whole of Africa.

In the ordinary course of events, the decision by the Government of South Africa to change from a monarchical form of government to a republic would raise no problem. In fact, such a change has been made by Ghana without any question being raised.

¹⁰ Voir/See "Sir Roy Welensky Asks Britain to Face Facts in Rhodesia," *The Times*, February 21, 1961, p. 8; "Mr. Sandys Rebukes Sir Roy Welensky: Tone of Speeches 'Bound to Deepen Distrust': Five Ministers Resign in Northern Rhodesia," *ibid.*, February 23, 1961, p. 12.

Is it not true, therefore, that the decision to become a republic really has no bearing on whether South Africa continues as a member of the Commonwealth, so long as they express their desire to do so.

The real question which is in everybody's mind is, of course, apartheid and their racial policies generally. That is something which could be dealt with at any time regardless of whether a member of the Commonwealth is a monarchy or a republic. It does seem, and there is considerable argument being put forward in support of this point, that if there are to be conditions of membership then those conditions should be established in some definitive form, and should apply equally to every member of the Commonwealth.

If it were decided that a clear distinction should be made between South Africa's status as a republic and the question of apartheid, then it would seem that South Africa might be permitted to remain a member as a republic, simply by the absence of any opposition to that course. It would then be possible to raise the question of apartheid, and since nobody is in any doubt, least of all the South Africans themselves, that this is a very real issue, it might be possible to set up a continuing committee of senior officials to examine the terms upon which membership may be granted and continued. In fact, I should think it is becoming clear that some such definitions in the broadest terms should be established in any event.

If we say "no" to South Africa at this time, we are in effect saying that South Africa does not conform to the rules of the club, and we must admit at the same time that there are no rules.

Even though we were inclined to talk about the impossibility of accurately defining the relationship within the Commonwealth, we did in fact define that relationship in fairly simple terms. First, we had a common allegiance to one Crown. Each member of the Commonwealth was a monarchy. We had a common parliamentary system, and each expressed its belief in the personal equality of their citizens, and each claimed a similar system of judicial procedure. Now those rules no longer apply, not only in South Africa but in several countries of the Commonwealth. Is it not arguable, therefore, that before we expel any member of the club for a breach of rules there should be some rules no matter how simple and elementary they may be.

Postponement of consideration of the situation in South Africa, as distinct from the question regarding the fact that they are now a republic, perhaps could be argued on the ground that the United Nations is already seized with this problem and that all members of the Commonwealth are members of the United Nations. But that would not, of course, fully dispose of the question. It does seem possible that the committee of officials, which met at Chequers last year to discuss problems relating to the future of the Commonwealth,¹¹ might be continued in operation under clearer instructions and that something in the nature of rules and conditions might be formulated for recommendation to another Conference.

I know that this will not be a decisive factor in coming to a conclusion as to what course should be followed, but there can be no doubt that a stand taken against the continuing membership of South Africa at this particular time, and in the atmosphere which has developed in the past few weeks, would be resented and very greatly regretted by the United Kingdom, Australia and Pakistan, as well as South Africa. I include Pakistan in this group because of a telegram received only today indicating that Ayub Khan is strongly opposed to the exclusion of South Africa, although he will speak strongly against apartheid and urge a modification of South African policy. In this respect his views seem to be similar to your own, but this seems to be the first indication of strong personal opposition on his part to a course which would result in the exclusion of South Africa.

¹¹ Voir Volume 27, le chapitre III, 2^e partie./See Volume 27, Chapter III, Part 2.

If this alternative point of view has any merit, then I suggest that a clear distinction be drawn between the question of South Africa's decision to become a republic and the problems raised by apartheid and racial discrimination generally. If that is done, it does seem possible, while condemning in the strongest terms the principles of apartheid, to point out that this is before the United Nations, and that the whole question of the relationship of the members of the Commonwealth to each other should be considered most carefully by a committee of officials.

I know that you are faced with a cruel dilemma, and I have merely sought to put forward different points of view in the hope that they may contribute something to the consideration of this vitally important subject.

[GEORGE DREW]

469.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], February 25, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

SOUTH AFRICA; CANADIAN POLICY

1. *The Prime Minister* said that further consideration should be given to the position he should take on South Africa at the Commonwealth Prime Ministers' Conference. During the previous discussion in the Cabinet, most Ministers had said that, if a decision could not be deferred and if Mr. Diefenbaker spoke second on the subject in London, he should condemn apartheid but should support the readmission of South Africa to the Commonwealth. Other Ministers had said that such a position would be very damaging to Mr. Diefenbaker and to the Conservative party in Canada, because it would seem incompatible with the public position he had taken for many years on equality of rights.

The problem had become even more difficult in the last few days because of events in Rhodesia, Nyasaland and the Congo. At the Commonwealth Conference it seemed likely that Nigeria and Ghana would insist that the South African natives be given racial equality if the Commonwealth was to continue as a multiracial family of nations.

He outlined the kind of statement he might make at the Conference. He would emphasize that the South African policy of apartheid was unacceptable to Canada, and that the upsurge of nationalism in many new countries made apartheid more than a domestic question. South Africa would not be accepted as a member of the United Nations Security Council. The difficult situation would be greatly helped if the South African government would, as a compromise, offer some degree of parliamentary representation to its native population. Recent events in Nyasaland, Rhodesia and the Congo made the present a poor time for consideration of an official application from South Africa. In any case, as that country had not yet made effective its legislation on its proposed status as a republic, an application for readmission to the Commonwealth would be premature.

If such a statement was made, Premier Verwoerd would probably withdraw from the Conference because he had previously stated that he would do so if any Prime Minister criticized South Africa's policy. Mr. Diefenbaker said that in these circumstances he as Canada's representative would be criticized for having taken the initiative on South Africa and having thereby damaged the solidarity of the Commonwealth. On the other hand he obviously could not condone apartheid.

2. *During the discussion* the points raised in previous discussions were further explored and in addition the following points were raised:

(a) Some Ministers said that a debate on South Africa in the House of Commons might provide tangible evidence of the state of Canadian public opinion. The government would then face less criticism if Premier Verwoerd should withdraw from the Conference following a statement by Mr. Diefenbaker.

(b) Most Ministers said there should be no debate on South Africa prior to the Conference. Such a debate would be bound to restrict Mr. Diefenbaker's freedom of action, and might prevent him from playing a constructive role at the Conference. If a debate should be held, the Prime Minister would be obliged to speak and to take a definite position in the matter, thereby disclosing his intentions prior to the London meeting. The opposition parties had previously declared their views on the subject, and as they had not requested a special debate at this time, it was reasonable to assume that their views had not changed materially.

(c) At the Conference, Mr. Diefenbaker could not propose a change in the usual order of speaking. Prior to the conference, however, he would raise the question with Prime Minister Macmillan, pointing out that all Commonwealth nations were regarded as equal, and that some of the newer members might speak more freely if they spoke first.

(d) Some Ministers said that public opinion in Canada had become reconciled to the prospect that South Africa might leave the Commonwealth. The public would not favour a compromise on a fundamental issue of human rights, merely in order to retain the membership of that country.

(e) Although theoretically apartheid and readmission were separate issues, in practice they could not be divorced. The apartheid aspect was by far the more important, and an equivocal position on civil rights would be damaging to Canada's international position and to the Prime Minister's national position. If Premier Verwoerd insisted on forcing the issue of readmission at this time, it was not unreasonable to require him to make some compromise on apartheid as the price of readmission.

(f) The situation was so complex, and it involved so many cross-currents, that tactics would probably play a leading role at the Conference. Therefore the Cabinet should not attempt to formulate a policy on the subject in detail at this time, but should authorize the Prime Minister to use his own best judgment on the course he should take in the discussions.

3. *The Cabinet* agreed,

(a) that the Prime Minister should be authorized to use his own best judgment in determining, in the light of the situation that might develop at the forthcoming Commonwealth Prime Ministers' Conference, and consistently with the general tenor of the discussions in the Cabinet, the position he should take in discussing the South African question at the Conference;

(b) that, if Ministers wished to make suggestions on a statement that might be made in the House of Commons by the Prime Minister prior to his departure for the Conference, they should send their proposals to him in writing as soon as possible; and,

(c) that the question of Canadian policy on South Africa should be further discussed at another meeting of the Cabinet.

...

470.

J.G.D./MG01/XII/A/416 (Vol.13)

Note du premier ministre

Memorandum by Prime Minister

CONFIDENTIAL

[Ottawa, n.d.]

TELEPHONE CONVERSATION WITH HON. GEORGE DREW,
PARIS – FEBRUARY 26, 1961. 12 NOON.

1. I advised him that the name of the building was to be the "Sir John A. Macdonald Building." This was the unanimous choice of the Colleagues.

2. Open hearing on South Africa particularly in view of what is happening in Rhodesia. We hear that when the Conference is on there are going to be a lot of demonstrations here and there, in Africa and in the countries there outside the Commonwealth. No one knows what Nkrumah is going to do. I am not going to present the suggestion that I made to you that because of the fact that the coloured races have the majority this time and therefore should say first what they feel. As soon as you get to South Africa's Prime Minister no matter how he endeavours to smooth it over he will rub them up and down. What we will say will be in every way contrary to that policy. It will be very strongly condemnatory, and the British want to get it decided now. It is no time now with the situation in the Congo and generally throughout Africa, and in view of the fact that it has been made perfectly clear by South Africa at the 1959 Conference that readmission to the Commonwealth is not automatic, that it is felt that this should be postponed and he should postpone becoming a Republic. If he wants to walk out this is fine. I am going to speak strongly in condemnation.

Their talk of taking it to the Security Council is entirely non-existent. The coloured situation everywhere in the world has ceased to be a domestic matter and however much standards have been raised we do not see how a policy like that, no matter what resiliency, can lead but to disaster. United Nations Charter not unanimous – voted 6 to 1 in favour of throwing them out. May be influenced somewhat by C.C.F. tendency. No demand in Parliament for a debate. If we get into a debate I am in a straight jacket. I cannot ask Parliament what I am going to do. The Liberal Party in January condemned apartheid in strong language but deleted the portion that South Africa be thrown out,¹² so their teeth have been drawn.

.....

We cannot throw them out. I will be condemned for breaking up the Commonwealth. We must make clear our condemnation of this.

.....

No vote for throwing them out. He will speak so late that all the firebrands will have spoken before.

.....

That is why we are keeping quiet. If they have their say first I go along and talk caution. Then if he throws himself out it will be up to me. If Menzies knows this then he will clear with the others and they will arrange some other alternative.

[J.G. DIEFENBAKER]

471.

DEA/11827-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le premier ministre*

*Memorandum from Special Assistant to Secretary of State for External Affairs
to Prime Minister*

CONFIDENTIAL

[Ottawa], February 27, 1961

SOUTH AFRICA

On a number of occasions you have underlined the importance which you attach to the stand taken by the South African Prime Minister at the meeting in London. You have recently indicated your hope that, despite his public refusal to entertain any compromise on racial policy, he might yet be brought at the meeting to accept and act upon the arguments for making or at least undertaking to make some significant concessions.

2. We do not really know how high a value Dr. Verwoerd places on Commonwealth membership, nor indeed the degree to which he may be open to persuasion from other Prime Ministers. It does seem, however, that there would be merit in making some of your views known to the South African Government before Dr. Verwoerd leaves for London. This would pave the way usefully for your conversations with him in London. It would show that you were approaching the problem in a spirit of cooperation and that you had no thought of insulating yourself from discussion with him. Although it seems unlikely that Dr. Verwoerd will come to London with even a partially open mind, a word from you as Prime Minister of Canada, might well have a useful psychological effect at this time. Should you find it

¹² Voir/See Bruce Macdonald, "Turn Down Interceptor Role: Liberals Would Stay in NORAD, Refuse to Back China UN Bid: Reject Move to Warn South Africa," *Globe and Mail*, January 12, 1961, p. 1.

necessary during the meeting to take a stand against South Africa it might be helpful to be able to recall that you had made known to Dr. Verwoerd in advance of the meeting the intensity of your concern.

3. What we suggest is that you might yourself call in the South African High Commissioner and tell him frankly how concerned you are about this situation. You could point to your record as an advocate on the one hand of the Commonwealth and on the other of racial and other forms of equality. You could say to him quite frankly that the decision facing the Prime Ministers as a result of South Africa's action placed you in a most difficult position; that you recognized the contribution which South Africa has made through the years, including two world wars, to the Commonwealth and the free world in general; and that you were most reluctant to do anything which would contribute to a weakening or a cutting of South Africa's links with other Commonwealth countries.

4. Presumably you would also say that at the same time you felt that racial equality must inevitably be one of the central aspirations held in common by Commonwealth countries; that there was a real danger that the association would break up or wither away unless this was recognized; that you thought that the Commonwealth association had a role to play in the modern world and that this role was too important not to be developed; and that it was your hope that in the future South Africa would be a part of, rather than apart from, this process. This could only be the case if there is some evidence of change in South Africa's policy and action on those matters which have attracted so much attention throughout the world.

5. You could then say you thought it only proper that you should speak frankly through the High Commissioner to his Prime Minister so that Dr. Verwoerd would not go to London under any misconception of the principal elements in your thinking. You could go so far as to add that it was your most earnest hope that even at this late hour the Union Government might find it possible to make some significant move, for instance toward non-white representation in Parliament. If this could be done, you could say the pressure for preventing South Africa's continued membership admission might be less in evidence at the meeting.

6. We think that it would not be wise to go beyond this. You would not want to preach to the South Africans, nor would you want to imply that if they do not heed your words you will retaliate against them. You would merely be giving them a private insight into the Canadian dilemma, and leaving them to form their own conclusions.

H.B. R[OBINSON]

472.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], March 2, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),

The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

SOUTH AFRICA; CANADIAN POLICY
 (Previous reference February 25)

3. *The Prime Minister* said that on the previous day he had informed the South African High Commissioner that he intended to condemn apartheid strongly in his opening remarks at the Commonwealth Prime Ministers' Conference. He had suggested that the High Commissioner should inform Mr. Verwoerd that Canada would not be deterred by the warning that the South African Prime Minister would withdraw from the Conference if the apartheid policy should be criticized there. Mr. Diefenbaker said he had also informed the High Commissioner that he would propose that the question of readmission should be postponed for a year, both because of recent events in other African countries and because South Africa's final action to become a republic was not to be taken until March 24th.

The Canadian High Commissioner in the United Kingdom had held discussions with representatives of Commonwealth countries in Asia, and had learned that none of them would in any circumstances be prepared to speak first at the Conference. The Commonwealth countries other than the U.K. and Australia appeared to be looking to Canada for leadership.

The Governor of the Bank of England had stated that last year he had expected that Mr. Verwoerd could be prevailed upon to make degree of compromise on the apartheid issue. The financial circles of the U.K. had been endeavouring to promote such a compromise but Mr. Verwoerd had been intransigent.

4. *Mr. Diefenbaker* said he might ask one of his colleagues to join him in the U.K. for one or two days during the Conference.

He proposed first to ascertain informally whether the order of speaking at the Conference might be changed. If not, as second speaker he would strongly condemn apartheid, would refer to the changes in the Commonwealth and in the world situation since last May, and would propose that the issue of readmission be postponed. If Mr. Verwoerd should then leave the Conference, should Canada modify its position?

All the major Canadian newspapers were now urging that South Africa be dropped from the Commonwealth if its racial policy was not modified.

5. *During the discussion* the points raised in previous discussions were further explored, and in addition the following points were raised:

(a) Most Ministers said that Mr. Diefenbaker should speak in the usual order at the Conference, and should not evade the opportunity to give leadership to the other members. Other Ministers said that an effort should be made to have the order reversed, but that the

Prime Minister should not place himself in the position of asking formally for a change and being refused. Some Ministers said that Canada should seek a reversal in the order of speaking only if the non-white members were unanimous in the view that South Africa should be re-admitted.

(b) Most Ministers said the apartheid policy should be strongly condemned. Some Ministers said that apartheid should be regarded as a domestic matter, and that Canada should not interfere.

(c) Despite the doctrine of Cabinet solidarity, it was probably undesirable in this instance for the Prime Minister to be accompanied at the Conference by any Minister whose personal convictions on the South African question were markedly different from those of the Cabinet as a whole.

(d) Most Ministers said that Mr. Diefenbaker should try to have the question of South African readmission postponed to a later Conference. Some Ministers however said that he should not seek postponement nor vote to refuse readmission.

(e) There might be special significance in the fact that Her Majesty the Queen was giving an audience to Mr. Diefenbaker before any of the other Prime Ministers. The U.K. Secretary of State for Commonwealth relations, Mr. Sandys, had recently made the extraordinary assertion that South Africa would be readmitted to the Commonwealth unless all other members were unanimously in favour of rejection.

6. *The Cabinet* reaffirmed the decision taken at its meeting of February 25th that the Prime Minister should be authorized to use his own best judgment in determining, in the light of the tactical situation that might develop at the forthcoming Commonwealth Prime Ministers' Conference, and consistently with the general tenor of the discussions in the Cabinet, the position he should take in discussing the South African question at the Conference.

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473.

DEA/11827-40

Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
Memorandum by Special Assistant to Secretary of State for External Affairs

[Ottawa], March 7, 1961

SOUTH AFRICA

After seeing Mr. Macmillan at lunch on March 7th, the Prime Minister said that he had suggested that the difficulties over the South African item might be greatly diminished if the normal order of speaking were reversed. Mr. Macmillan had seemed very interested in this idea and had said that it could be the salvation of the conference.

H.B. R[OBINSON]

474.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], March 9, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson),
 Mr. D.F. Wall, Privy Council Office.

...

COMMONWEALTH PRIME MINISTERS' CONFERENCE;
 CANADIAN POLICY ON SOUTH AFRICA
 (Previous reference March 2)

5. *The Acting Prime Minister* said that on the previous day he had spoken with the Prime Minister who had asked that the question of South Africa be discussed again by the Cabinet. Mr. Diefenbaker had stated that the general atmosphere among the delegates favoured re-admission of South Africa to the Commonwealth. He was therefore considering the desirability of taking a less aggressive position than that previously discussed with the Cabinet, and of proposing that the members of the Commonwealth should try to frame a declaration of principles or rights.

6. *Mr. Green* said the Canadian newspaper were predicting that South Africa would be re-admitted, and some newspapers were already criticizing the Prime Minister on the assumption that he would agree.

7. *During the discussion* the following points were raised:

(a) The appropriate course for Canada to follow in the discussion was largely dependent upon the tactical situation from time to time. The Cabinet should therefore avoid making detailed suggestions at this time.

(b) Canada should not vote against re-admission of South Africa if it was clear that all other members would be in favour. On the other hand Canada should give a lead in opposing re-admission if it was clear that some other members would follow such a lead.

(c) The Prime Minister should condemn apartheid clearly and bluntly. If he should fail to do so, it would appear that he had succumbed to the influence of the U.K. Prime Minister.

(e) The Prime Minister should not actively sponsor a proposal that a Commonwealth Declaration of Rights be formulated. The Canadian Bill of Rights was still untested, and an attempt to establish a Bill of Rights for the Commonwealth at this time would probably provoke ridicule in Canada.

8. *The Cabinet* agreed that the Acting Prime Minister should inform the Prime Minister that in its view he should firmly and clearly condemn the South African apartheid policy at the Commonwealth Prime Ministers' Conference, and that having done so he should use his own judgment in determining the position he should take as the discussion developed, and, further, that in its view he should not at this time take the initiative in sponsoring a proposal for the formulation of a Commonwealth Declaration of Rights.

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475.

DEA/11827-40

Note du secrétaire du Cabinet
Memorandum by Secretary to Cabinet

SECRET

[London], March 12, 1961

INDIAN ATTITUDE ON SOUTH AFRICAN QUESTIONS

Mr. R.K. Nehru, Secretary-General for External Affairs and the senior Indian official on their delegation, finally reached me by telephone about 5.30 on Saturday afternoon and said that his Prime Minister had asked him to see me on a matter relating to the Conference. I arranged for him to come here almost immediately to speak about it.

When I met Mr. Nehru, he informed me that he wanted to tell us of their attitude on the South African question. He said that his Prime Minister had been careful not to make any public statements on this during the preceding week and they had been giving a good deal of thought to the subject both before leaving India and here in London. Now they were ready to inform the other delegations confidentially of their views in anticipation of the discussion next week.

At this point I saw the importance of Mr. R.K. Nehru's message and suggested that he might like to come in and give it directly to Mr. Diefenbaker, so that the latter could ask any questions about it that occurred to him. This was quickly arranged and Mr. Nehru resumed his account with Mr. Diefenbaker, repeating two or three of the earlier points.

There were four principal considerations in their attitude on this question. They were as follows:

(1) They must not make or appear to make any compromise on the subject of racialism. What they did in regard to South Africa must be consistent with what they have said and done on racialism in the past.

(2) If they took any positive action which could be interpreted as approval of South Africa, they would be letting down and weakening the progressive forces in Africa, which they had been supporting heretofore, and which were relying on their understanding and support in their struggle for the establishment of successful independent nations in Africa.

(3) If they took any positive action that appeared to constitute approval or support of South Africa, this would expose them and other western and neutral members of the Commonwealth to serious criticism and undermining by the Communists, including particularly Communist China which was already attacking India.

(4) The granting of consent by other members to South Africa continuing in the Commonwealth would weaken the value and usefulness of the Commonwealth in future, whereas on the other hand the Commonwealth could be strengthened and made more useful if South Africa should drop out.

At this point Mr. Nehru referred to the editorial in the latest issue of the *Economist* on Commonwealth affairs and said that this contained thoughts along the same lines that they had in mind.

Mr. Diefenbaker noted that he had not always been able to agree with the ideas of the *Economist* but that he would look at the article. (It is presumably the article entitled "Bridge Club.")¹³

After outlining these arguments, Mr. R.K. Nehru then said that if a positive act of consent or its equivalent were needed in order to retain South Africa in the Commonwealth, India would have to take a decision in accordance with the above principles. I felt Mr. Nehru made it quite clear in the context that this would mean India refusing to consent if the issue became a direct one.

Later, as he was leaving, I asked Mr. Nehru whether it was not his belief that positive consent by all members was required and he said that they felt last year's communiqué indicated this quite clearly. (This appears to be contrary to the understanding and the plan which the United Kingdom appear to have in mind.)

Mr. Diefenbaker asked Mr. Nehru several questions in the course of the latter's exposition. He then went on to outline the present stage of his own personal thinking on the subject as indicating a possible course of action.

He thought it would be quite feasible to say that it was not necessary to take action yet on the South African request to continue as a member of the Commonwealth, despite the precedents that had been established. Their legislation is not yet through their Parliament and it does not go into effect until the end of May. He therefore thought the question of consent to continuing should be left until later and a decision to that effect should be made by the Conference. He thought the Conference should also make a statement in the communiqué condemning apartheid.

The result of these two actions, Mr. Diefenbaker suggested, would be that South Africa would withdraw from the meeting and probably from the Commonwealth as well, without direct action having to be taken to exclude her. If she did not withdraw, he thought the Verwoerd government would be apt to be under severe attack at home in the next twelve months and might indeed be defeated over the issue. He said that he had not informed Mr. Macmillan of these particular views when he had seen him during the preceding twenty-four hours at Chequers, but that he was so interested in the views that Mr. R.K. Nehru had set forth that he thought he should tell him the state of his own thinking on the matter at this stage.

R.B. B[RYCE]

¹³ Voir/See "The Bridge Club," *Economist*, March 11, 1961, p. 932.

476.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], March 14, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson),
 Mr. D.F. Wall, Privy Council Office.

COMMONWEALTH PRIME MINISTERS' CONFERENCE; SOUTH AFRICA
(Previous reference Mar. 9)

1. *The Acting Prime Minister* said that on this day he had again spoken with the Prime Minister. Mr. Diefenbaker had hoped that the Conference might agree to the readmission of South Africa but also to a simultaneous declaration of principles of the Commonwealth fraternity. The Australian Prime Minister had refused to agree to any declaration on South Africa.

2. *Mr. Green* said that Mr. Diefenbaker had taken the lead in condemning the apartheid policy, and had been supported by the African and Asian members. Australia and New Zealand had followed the United Kingdom in urging readmission.

The Cabinet should consider whether any further suggestions should be given to Mr. Diefenbaker at this time.

3. *During the discussion* the following points were raised:

(a) Some Ministers said South Africa should be readmitted to the Commonwealth. A refusal to admit that country would be damaging to the solidarity of the Commonwealth.

(b) Other Ministers said that readmittance of South Africa would probably lead to the eventual withdrawal of all non-white member countries from the Commonwealth. They were entitled to be treated as equals. Mr. Nyerere of Tanganyika had written recently that, if South Africa was retained in the Commonwealth, Tanganyika would not seek membership.

(c) The Prime Minister, as a participant in the discussions, could best judge the course he should follow from time to time on the subject.

4. *The Cabinet* noted the statement of the Acting Prime Minister on the progress of discussions at the Commonwealth Prime Ministers' Conference in London.

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477.

DEA/50085-J-40

*La délégation à la réunion des premiers ministres
au secrétaire d'État aux Affaires extérieures*

*Delegation to Prime Ministers' Meeting
to Secretary of State for External Affairs*

TELEGRAM 23

[London], March 14, 1961

SECRET. OPIMMEDIATE.

For Minister and Under-Secretary.

PRIME MINISTERS' MEETING SOUTH AFRICA

The situation tonight after further meetings throughout the day is that South Africa has been confronted with the proposition that its membership would probably be continued if it would accept the making of a declaration by the other members condemning apartheid in severe terms and stating that the principle of non-discrimination in respect of race and colour is basic to the multi-racial Commonwealth. South Africa would not repeat not be asked to subscribe to such a declaration but is in effect faced with the dilemma of remaining a member of a Commonwealth in which all the other members had collectively made such a statement as representing the official view of the Commonwealth. Dr. Verwoerd finds this very difficult to accept and at the end of the meeting this evening expressed a wish to consider his position overnight. It will thus be up to South Africa to decide whether or not repeat not to remain as a member under these conditions.

478.

DEA/50085-J-40

*La délégation à la réunion des premiers ministres
au secrétaire d'État aux Affaires extérieures*

*Delegation to Prime Ministers' Meeting
to Secretary of State for External Affairs*

TELEGRAM 24

[London], March 15, 1961

SECRET. OPIMMEDIATE.

For Minister and Under-Secretary.

Reference: PrimeDel Tel 23 Mar 14.

PRIME MINISTERS' MEETING SOUTH AFRICA

This morning Dr. Verwoerd agreed to formula outlined in our reference telegram, i.e. that it would remain as a member of Commonwealth but that a declaration would be issued by the other ten members condemning apartheid and stating that non discrimination was a principle of Commonwealth association.

2. The exact wording of the relevant statements is not repeat not yet available to us but a communiqué is expected shortly and the text will be forwarded without delay.

479.

DEA/50085-J-40

*Le haut-commissaire au Royaume-Uni
au bureau du premier ministre
High Commissioner in United Kingdom
to Prime Minister's Office*

TELEGRAM 1042

London, March 17, 1961

CONFIDENTIAL. OPIMMEDIATE.

For Information: Prime Minister and H.B. Robinson from Bryce.

Officials met last night as usual to go over first draft of communiqué produced by Secretary of meeting. It was modified in a number of particulars and a second draft prepared for meeting this morning.

2. The draft communiqué itself contains all thirteen paragraphs and there is an annex on disarmament in almost exactly the form which Robinson took with him with the possible addition of a short paragraph following paragraph 7 on the importance of safeguards to prevent the diversion of fissionable material etc. to military use. It seems unlikely that additional paragraph will be finally included as India appears to be stoutly opposed to it.

3. In main communiqué first two paragraphs are routine. The third relates to Congo and the fourth briefly to Laos. The fifth relates to disarmament and refers to annex. There may be some dispute over how much should be said about disarmament. The sixth relates to nuclear test; the seventh to the structure of UN. Paragraphs 8, 9, 10 and 11 are routine concerning Cyprus, Sierra Leone and Western Samoa. Paragraphs 12 and 13 constitute a quiet procedural history of South African issue with no repeat no argument.

4. In accordance with Prime Minister's desire I suggested that the following sentence should be included in the final paragraph "The Commonwealth Prime Ministers affirmed their belief that for all Commonwealth governments it should be an objective of policy to build in their countries a structure of society which offers equality of opportunity for all irrespective of race colour or creed." I got no repeat no support for the inclusion of this sentence which was said to be out of keeping with the non-controversial paragraphs proposed at this stage on South African representative definitely opposed it and Australian representative told me he thought Menzies would oppose it if it were raised today. I said it was probable that Mr. Drew would raise it on behalf of Canada at the meeting this morning. Since inclusion of material in communiqué traditionally requires unanimous agreement it seems unlikely we can succeed in having this declaratory sentence included.

5. Arrangements are being made to telegraph final communiqué and annex as approved en clair immediately we receive it. It is not repeat not certain that the timetable will be quick enough to get it to you in form for tabling before House opens it Ottawa but we shall use our best endeavours to do so.

480.

DEA/50085-J-40

*Le haut-commissaire en Afrique du Sud
au secrétaire d'État aux Affaires extérieures*

*High Commissioner in South Africa
to Secretary of State for External Affairs*

TELEGRAM 32
SECRET. OPIMMEDIATE.

Capetown, March 17, 1961

SOUTH AFRICAN WITHDRAWAL FROM COMMONWEALTH

Local press March 16 carried London story quoting UK source on events at Prime Ministers' Conference on last afternoon of discussion on South African question. According to this account agreement was so close that it required Dr. Verwoerd to concede only a fraction an inch.¹⁴ We understand from UK High Commissioner's Office that UK source of this article was Mr. Sandys.

2. When Verwoerd returns here March 20 he will undoubtedly continue pose of injured innocence which he has already assumed in his public statements last two days. From a local point of view it will be almost impossible for parliamentary opposition to argue against Verwoerd's action if he is allowed to continue to say he was forced out. His interpretation of what went on in London (for example "Canadian-African-Asian bloc") will also have a direct bearing on Canada's name in South Africa. We wonder therefore whether Sandys account of events of last afternoon is correct and if so whether it should not repeat not be more widely and officially published in order to reduce damage to Canada's name which Verwoerd will do among White South Africa generally and also in order to increase effectiveness of opposition attack on him.¹⁵

[JAMES J.] HURLEY

481.

DEA/50085-J-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

TELEGRAM 1044
UNCLASSIFIED. EMERGENCY.
(For immediate delivery on arrival)

London, March 17, 1961

SOUTH AFRICA'S WITHDRAWAL

In statement last night Verwoerd quoted from draft communiqué of March 15 which he said he had been prepared to sign. I therefore suggest the advisability of reading into the record in the House this morning exact wording of draft communiqué of March 15 beginning "At their

¹⁴ Voir/See "Dr. Verwoerd Denies That He Was Unaccommodating," *The Times*, March 17, 1961, p. 14.

¹⁵ Note marginale :/Marginal note:

Spoke to H.B. R[obinson]. The PM has read this telegram & has commented that his statement in the House set the record straight & should answer Hurley's point. [George Glazebrook]

meetings this week the Commonwealth Prime Ministers have discussed questions affecting South Africa. Exact quotations are as follows:

(1) "Other Prime Ministers strongly criticized and deplored the racial policy of the Union Government, which appeared to them to involve a substantial measure of racial discrimination. They stressed the anxiety they felt it was giving rise to in the hearts of millions of people throughout the world."

(2) "After hearing Dr. Verwoerd's statement, the other Prime Ministers adhered to the views they had expressed regarding the racial policy of the Union Government, and reaffirmed their belief in equality of opportunity for all, irrespective of race, colour or creed."

Verwoerd also refers to Afro-Asian-Canadian bloc.¹⁶

[GEORGE] DREW

482.

DEA/50085-J-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour la direction du Commonwealth*

*Memorandum from Special Assistant to Secretary of State for External Affairs
to Commonwealth Division*

[Ottawa], March 22, 1961

I attach copies of each of three successive drafts which served as the basis for discussion on South Africa at the Prime Ministers' Meeting in London. I received these drafts today from the Prime Minister. I do not believe that any other copies were distributed except to Mr. Fulton, who accompanied the Prime Minister to the meetings on the South African item.

2. My understanding is that the first draft was the basis of discussion on Monday, March 13, the second draft on Tuesday, March 14 and the third draft was prepared between the morning and afternoon sessions on March 15.

3. The markings on the third draft are based on Mr. Fulton's notations. I take it from the "OK" on the first page that this paragraph was generally acceptable. The underlining on the second page of the words "and with the Charter of the United Nations" reflects Mr. Diefenbaker's wish to have this phrase included. I am not able to throw any light on the exact circumstances which led to Dr. Verwoerd's decision to withdraw his application for consent but there is an obvious contradiction between the insistence of the majority on "basic ideals" for the Commonwealth and on the statement on page 3 (Dr. Verwoerd's section) in which it is stated that no basic ideals for the Commonwealth had been formulated or deemed desirable. From remarks made by Mr. Fulton after the South Africans had made their decision known, I believe that this was the breaking point.

4. I assume that you will be circulating this material on a need-to-know basis.

H.B. R[OBINSON]

¹⁶ Note marginale :/Marginal note:

P.M. saw this before he spoke in the House on March 17. H.B. R[obinson] March 20.

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note de la réunion des premiers ministres du Commonwealth**Memorandum of Meeting of Commonwealth Prime Ministers*

SECRET

[London], March 13, 1961

FIRST DRAFT OF PARAGRAPHS FOR COMMUNIQUÉ

The Commonwealth Prime Ministers also discussed constitutional questions relating to Commonwealth membership.

The Prime Ministers accepted a request from the Republic of Cyprus for admission to membership of the Commonwealth and invited the President of the Republic to join their Meeting.

The Prime Ministers also took note of the forthcoming constitutional changes in the Union of South Africa. They were informed that, following the plebiscite in October, 1960, the appropriate constitutional steps were now being taken to introduce a republican form of constitution in the Union. They were also informed that it was the desire of the Union Government that South Africa should remain within the Commonwealth as a republic. The Prime Ministers, recalling their decision last year that a change from a monarchical to a republican form of government is an internal matter solely for decision by the country concerned, and recalling that India, Pakistan and Ghana were confirmed as members of the Commonwealth when they adopted republican constitutions, agreed that, following these precedents, South Africa was likewise entitled to remain a member of the Commonwealth after becoming a republic on 31st May, 1961.

The other Prime Ministers, however, made it plain to the Prime Minister of South Africa that they were unable to separate the purely procedural question from the policies of racial discrimination which are being pursued by the present Government of the Union. A full discussion was held, in the course of which the Prime Minister of South Africa explained the racial policies of the Union Government. The other Prime Ministers expressed deep concern about the impact of such policies on the relations between member countries of the Commonwealth, which is itself a multi-racial association of peoples. Accordingly they declared that such policies were inconsistent with the basic ideals on which the unity and influence of the Commonwealth rest.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Communiqué de la réunion des premiers ministres du Commonwealth**Communiqué of Meeting of Commonwealth Prime Ministers*

REVISED DRAFT OF PASSAGE ON SOUTH AFRICA'S RACIAL POLICY

The Prime Ministers discussed the racial policy of the Government of the Union of South Africa.

It is an established convention that at these Meetings matters falling within the internal jurisdiction of a member country are not discussed without the consent of that country. It was generally felt however that the policy of apartheid had aroused widespread anxiety throughout the world and had now acquired an international significance which made it more than a matter of domestic concern to the Union Government. On this occasion the Prime Minister of South Africa agreed to participate in a discussion of the racial policy of the Union Government.

A full discussion was held, in the course of which Dr. Verwoerd explained the policy of the Union Government, which he described as one of separate development. The other Prime Ministers, for their part, strongly criticised and deplored this policy, which appeared to them to involve a substantial measure of racial discrimination. They stressed the anxiety to which it gave rise in the hearts and minds of millions of people throughout the world, and expressed their deep concern about the impact which it must have, unless modified, on the relations between the member countries of the Commonwealth and on the cohesion of the Commonwealth itself as a multi-racial association.

They considered that this policy was inconsistent with the basic ideals on which the unity and influence of the Commonwealth rest, and with the Charter of the United Nations. They affirmed their belief that, for all Commonwealth Governments, it should be an objective of policy to build in their countries a structure of society which offers equality of opportunity for all, irrespective of race, colour or creed.

[PIÈCE JOINTE 3/ENCLOSURE 3]

Projet de communiqué, le 15 mars 1961

Draft communiqué, March 15, 1961

At their meetings this week the Commonwealth Prime Ministers have discussed questions affecting South Africa.

The Constitutional Question

The Prime Minister of South Africa informed the Meeting that, following the plebiscite in October, 1960, the appropriate constitutional steps were now being taken to introduce a republican form of constitution in the Union. He also stated that it was the desire of the Union Government that South Africa should remain within the Commonwealth as a republic. The Prime Ministers recalled their decision of last year that a change from a monarchical to a republican form of government is an internal matter solely for decision by the country concerned, and recalled that India, Pakistan and Ghana were confirmed as members of the Commonwealth when they adopted republican constitutions. They agreed that, following these precedents, this constitutional change was no bar to South Africa's remaining a member of the Commonwealth after becoming a republic on 31st May, 1961.¹⁷

The Racial Question

The Prime Ministers also discussed the racial policy followed by the Union Government. It is an established convention that at these Meetings matters falling within the internal jurisdiction of a member country are not discussed without the consent of that country. On this occasion, however, the Prime Minister of South Africa agreed to a discussion of the racial policy of the Union Government.

In the course of a full discussion the other Prime Ministers strongly criticised and deplored the racial policy of the Union Government, which appeared to them to involve a substantial measure of racial discrimination. They stressed the anxiety to which, they felt, it was giving rise in the hearts and minds of millions of people throughout the world, and expressed their deep concern about its impact on the relations between the member countries of the Commonwealth and on the cohesion of the Commonwealth itself as a multi-racial association. They considered that this policy was inconsistent with the basic ideals on which the unity and influence of the Commonwealth rest, (and with the Charter of the United Nations). The other

¹⁷ Note marginale :/Marginal note:
OK. [E. Davie Fulton]

Prime Ministers affirmed their belief that, for all Commonwealth Governments, it should be an objective of policy to build in their countries a structure of society which offers equality of opportunity for all, irrespective of race, colour or creed.¹⁸

The Prime Minister of South Africa stressed the positive aspects of the Union Government's policy of separate development and deplored the accusations of racial discrimination levelled against South Africa by member countries which he considered to be themselves guilty of such practices. He expressed the view that the development of proper relations between members of the Commonwealth could only be impaired if they attempted to interfere in one another's domestic affairs instead of concentrating on cooperation in matters of common concern. No basic ideals for the Commonwealth had been formulated or deemed desirable; and such a formulation might raise difficulties for many members. (Nor was he prepared to accept that the Charter of the United Nations should be invoked when dealing with Commonwealth affairs.) He stated his conviction that in South Africa the policy of separate development remains the only way of ensuring full opportunities for all, irrespective of race, colour or creed, whereas any form of integrated society would become a source of strife or injustice to one or other population group and should not be an objective of policy.

After hearing Dr. Verwoerd's statement the other Prime Ministers adhered to the views they had expressed regarding the racial policy of the Union Government and its effects.¹⁹

483.

J.G.D./MG01/XII/B/122 (vol. 34)

*Note du premier ministre**Memorandum by Prime Minister*

CONFIDENTIAL

[Ottawa], June 5, 1961

TELEPHONE CONVERSATION WITH HON. GEORGE DREW IN LONDON

This morning I called the Honourable George Drew in connection with Prime Minister Macmillan's message to me that Mr. Sandys might visit Canada late in June to discuss with the Government the implication to the Commonwealth and in particular to Canadian trade with United Kingdom joining European Trading Bloc.²⁰

I also informed him that the message from Prime Minister Macmillan was marked "Secret and Personal" and yet a copy was given to the Departmental officials even before I saw it. I said I would not raise any complaint about this but it made impossible personal communication. He said that in his opinion it was never intended that such a communication should have copies delivered to the Department of External Affairs.

¹⁸ Note marginale :/Marginal note:

Statement by the PMs of Commonwealth countries. [E. Davie Fulton]

¹⁹ Fulton a changé « the views they had expressed regarding the racial policy of the Union Government and its effects » à « the views they had expressed as to the conflict between the racial policies of the other Commonwealth nations and those of the Union Government. »

Fulton changed "the views they had expressed regarding the racial policy of the Union Government and its effects" to "the views they had expressed as to the conflict between the racial policies of the other Commonwealth nations and those of the Union Government."

²⁰ Voir/See document 485.

Stated that while Mr. Sandys most reliable in connection with South Africa's application for readmission to the Commonwealth that it was apparent that Mr. Sandys had not given the proper picture as to the feeling of the Commonwealth countries to Mr. Macmillan before the Prime Ministers' meeting took place.

J.G. D[IEFENBAKER]

2^e PARTIE/PART 2
 RELATIONS ÉCONOMIQUES
 ENTRE LE ROYAUME-UNI ET L'EUROPE
 ECONOMIC RELATIONS
 BETWEEN THE UNITED KINGDOM AND EUROPE

484.

D.M.F./Vol. 137

*Note du sous-ministre adjoint des Finances
 au ministre des Finances*

*Memorandum from Assistant Deputy Minister of Finance,
 to Minister of Finance*

SECRET

[Ottawa], May 17, 1961

UK AND "THE SIX" – PM TO PM MESSAGE

I attach a copy of a PM to PM message on the subject of UK and the Six. The original was given to Basil Robinson this morning but I do not know whether it has reached the Prime Minister.

I received this copy from McGregor. He has also given a copy to Ritchie. He could not give a copy to Trade and Commerce because, to use his own words, "there is no one of significance there to-day; they are all in the West." I asked McGregor whether similar messages had gone to other Commonwealth Prime Ministers. He said that similar messages had gone to the "old Commonwealth," i.e. Australia and New Zealand.

Grandy and I have read the message very carefully. We can find nothing in it to suggest that the position of the UK is different from what we believe it to be and have believed it to be for the past few months. As we understand the message, it gives an undertaking that the UK will consult us again before they start on "negotiations" with the Six. There is nothing to suggest that at the meeting of Commonwealth Officials next week there will be much added to what we already know about the UK position.

The receipt of this message may add some further stimulus, justified or unjustified, to those in Ottawa who believe that the Canadian Government should adopt a new posture towards UK adherence to the Six.²¹

A.F.W. P[LUMPTRE]

²¹ Note marginale :/Marginal note:
 Noted. D.M. F[leming]

[PIÈCE JOINTE/ENCLOSURE]

*Note du premier ministre du Royaume-Uni
au premier ministre*

*Message from Prime Minister of United Kingdom
to Prime Minister*

SECRET

Ottawa, May 17, 1961

When I was in Ottawa we had very good talks about the problem of the Six and the Seven.

Since then there has been a good deal of speculation in this country about the possibility of the United Kingdom joining the European Economic Community – the Six – and I thought I ought to let you know exactly where matters stand.

I need not go again into the background or explain the political dangers which I see unless some arrangement can be made to heal the present economic divisions in Europe. I believe that this is in the real interests not only of Europe but of the whole free world and especially of the Commonwealth. But it is only on the basis of that belief that we could enter or create a larger European community. Of course all this will depend on the progress which we can get. When we have a better idea about this we shall all have to weigh up together our estimate of the balance of future strength in the world.

We are now engaged in looking at an examining the implications if Britain and such of the other countries at present in the European Free Trade Area as wish to do so were to join together with the Six. What we have to decide is whether the prospects of reaching an acceptable result would make it worthwhile to embark on further negotiations. Of course it is absurd to suggest that we could just join the Treaty of Rome as it stands. We would have first to have special arrangements to take care of the Commonwealth interest and of our British agricultural position. We would also need to ensure that satisfactory arrangements were made for those of our partners in E.F.T.A. who could not follow us into the E.E.C. This would mean quite a substantial change for the Six and up to now I will say quite frankly that I have not felt there was sufficient disposition on the part of the Six to meet these special needs. What I particularly did not wish to do was to embark upon a negotiation with all these risks without the likelihood of a successful outcome.

We have still not been able to make a complete assessment of the situation although some of our informal discussions have got us on a little further. When we have finished our own examination here in the United Kingdom and before we reach any decision I will consult you again. At that stage we shall have to consider how best our consultation can be made most effective. Meanwhile our Senior Economic Officials are meeting in a few days' time. At that meeting we shall tell you in full about our recent discussions with European officials, but I thought I would like to send you this message now to let you know the outline of how things stand.

As I write this it seems as though the Geneva Conference on Laos is to get under way at last. We have had some doubtful moments but I still believe that in the present not very satisfactory circumstances there is no acceptable alternative but to go for a neutral Laos. On the whole I feel that the Russians are really anxious to keep things quiet and at least do not want the Chinese to get too much benefit.

I would like you to know how grateful we are for the good work your people have done in the I.C.C. Its balanced and timely announcement about the cease-fire was invaluable. So is its continued work of observation in Laos.

485.

DEA/12447-40

*Note du premier ministre du Royaume-Uni
au premier ministre*
*Message from Prime Minister of United Kingdom
to Prime Minister*

SECRET & PERSONAL

Ottawa, May 31, 1961

EUROPE AND THE COMMONWEALTH

I sent you a message on the 16th May about the progress of our work on the problem of the association of the United Kingdom with the Six. You will be getting reports from your representatives† about the very useful discussion that the Senior Economic Officials had on this subject on the 25th May.

I attach the greatest importance, as I know you do, to our having the fullest and most effective consultation about this vital matter before my Government has to decide our course of action and I have been giving some thought about how this can best be done. There seems to be at the moment a more favourable climate of opinion on the Continent on this issue than there has been for some time. But this could easily change. We feel therefore that if we are to enter into negotiations there is advantage in doing so sooner, rather than later. At the same time it would not be in the interests of any of us to enter into negotiations which were likely to break down at the outset. It is therefore necessary not merely to assess the advantages and disadvantages to us all, but also to have in mind what might be a likely basis for agreement. This involves very great political and economic considerations, both general and specific. We are of course examining closely the consequences for our own agriculture and the broader social implications of an association with the European Economic Community, as well as the implications we see for the Commonwealth. But we shall need your views on the political and economic problems involved. While consultation between our Governments can and will continue to take place through normal official channels, I feel that we shall reach the stage within a matter of weeks when there should be more direct and personal discussion between Ministers.

What I have in mind, therefore, is that Duncan Sandys should visit you to discuss with you the advantages and disadvantages of our associating ourselves closer with Europe and the possible terms on which this might be acceptable to us and other Members of the Commonwealth. He would be able to explain to you at first hand just how we see this problem in its wider political aspects as well as in its economic setting.

I thought you would like to know at once how I propose that this matter should be handled. I hope that you would agree that there need be no announcement about this arrangement until we can work out the timing for the visit, and that these plans can be kept confidential until then.

486.

DEA/12447-40

*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], June 1, 1961

UK AND EUROPE: SANDYS' VISIT

If the Prime Minister raises this matter in Cabinet this morning, you may wish to suggest that the reply to Prime Minister Macmillan's message should be on the following lines:

- (a) We recognize the important issues referred to by Mr. Macmillan;
- (b) We would naturally welcome an opportunity to discuss these matters with Mr. Sandys;
- (c) Since many elements are still extremely vague, it is difficult at this stage to assess "the political and economic problems involved;"
- (d) We would hope that before Mr. Sandys' visit the UK Government would be able to indicate more precisely the kind of solution to the problem of their relationship with Europe which they would find acceptable;²²
- (e) Perhaps conversations with Mr. Sandys could best take place after the meeting of the Senior Officials of the two countries (UK-Canada Continuing Committee on Trade and Economic Affairs) which is scheduled to take place around the end of June, if the UK Government would be in a position at that time to give a clearer indication of the kind of arrangements which they are contemplating.

A.E. R[ITCHIE]
for Under-Secretary of State
for External Affairs

487.

DEA/12447-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures,
pour le sous-secrétaire d'État adjoint des Affaires extérieures*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], June 2, 1961

Reference: Your memorandum to the Minister dated June 1, 1961.

THE UNITED KINGDOM AND EUROPE – SANDYS' VISIT

The Sandys' visit was not discussed in Cabinet yesterday, but the Minister did take up with the Prime Minister personally your suggestions as to the nature of the reply which should be sent to Mr. Macmillan's message of May 31.

2. Of the two approximate dates on which Sandys would like to come, the Prime Minister would prefer the later – June 26.

²² Note marginale :/Marginal note:

We want specifics before S[andys] comes. [John G. Diefenbaker]

3. The Prime Minister did not comment on suggestions (a), (b), (c) and (e) in your memorandum under reference, but in respect of (d), you will see that he has written in the margin "We want specifics before S. comes." The Minister explained that the Prime Minister is not anxious to talk to Sandys unless he is in a position to state clearly and in detail what the United Kingdom Government's position is with respect to their relationship with Europe. The Minister added that language such as "we would hope" is not sufficiently categorical. It should be made clear in the reply that the Prime Minister would expect the United Kingdom to be in a position to discuss specific proposals so that their effect on Canada's trading position can be clearly determined.

ROSS CAMPBELL

488.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

TELEGRAM 2005

London, June 2, 1961

EMERGENCY. SECRET. CANADIAN EYES ONLY.

Reference: External Tel E-1093 of Jun 1.†

EUROPE AND THE COMMONWEALTH

1. Personal message from Mr. Macmillan does indicate extent of the pressure which is being exerted from different quarters to persuade the UK Government to take some action on this subject.

2. Macmillan does emphasize that there will be consultation before UK enters into negotiations, but I suggest for your consideration that this subject may be sufficiently important to send Minister of Finance and Minister of Trade and Commerce to London, as this problem, subject to your directions, would fall particularly within their fields of responsibility.

3. I confess I am unable to understand the suggestion that Duncan Sandys visit Ottawa. He has attended none repeat none of the meetings connected with the discussion of these problems, nor can I recall that his ministerial duties have at any time been associated with subjects of this nature. On the basis of our experience here I would be inclined to think that you would get little satisfactory information from him. In fact if a minister is to go to Canada to deal with this subject, I would have thought that it should have been either Maudling or Lloyd, having regard to the fact that from the point of view of trade Canada is much the most important member of the Commonwealth next to the UK. If your decision were that it would be best to have either one or both of the ministers I have mentioned come to London to discuss different aspects of this subject with the ministers of the UK Government directly concerned, then without any apparent rebuff it would dispose of the suggestion that Sandys go to Canada and would certainly obtain much more useful information. I have in mind that it would also have the advantage of providing two stages for the discussion of this subject because the ministers could then report to you and there would be ample opportunity to have our own officials who are now working on this subject consider the suggestions which have been made before you were called upon to express an opinion.

4. In trying to understand the reason for the very active campaign by British manufacturers which has now taken a clear form, I would not repeat not discount the possibility that the sale of weapons and aircraft may be one of the motives. I find it difficult to believe that the British

are going to sell in Europe many automobiles, electrical products or things of that kind, which are better designed and produced at lower prices in Germany, France and Italy. There is, however, a determined effort, well reported in the press, to sell various types of arms, fighter aircraft and commercial aircraft with a military potential. In that field I think the British are well ahead of the whole of Europe including Germany.

5. In a speech to the Western European Union yesterday Harold Watkinson made an extremely significant statement reported in the following words in today's *Daily Express* "Britain, with her German and French Allies, had recently made important and encouraging progress in the sharing of research and production. 'We believe' said Mr. Watkinson 'that success in this field is absolutely essential to our being able to meet our commitments as a whole and we are willing to face the sharing of risks and sovereignty that must be an essential part of the operation'."

6. I am sending the whole of this speech as reported to the Minister for External Affairs,† but the part I have quoted refers to "sharing of risks and sovereignty." This statement may be sufficiently important to justify a direct question to Mr. Macmillan as to what sharing of sovereignty they are contemplating. The speech does suggest to me the possibility that the sale of arms and aircraft, which could account for a very large export, may have something to do with the thinking of the government indicated by Mr. Macmillan's telegram to you.

[GEORGE] DREW

489.

DEA/12447-40

*Note du premier ministre
au premier ministre du Royaume-Uni*

*Message from Prime Minister
to Prime Minister of United Kingdom*

SECRET

[Ottawa], June 3, 1961

EUROPEAN COMMON MARKET

I have given careful attention to your messages of May 16 and May 31 about the United Kingdom and the Common Market.

The importance to Canada of the major political and economic problems presented by the possible association of the United Kingdom with the European Economic Community underlines the need, which you recognize in your message, for even closer and more effective consultation before any final decision is reached.

I have noted your suggestion that Mr. Sandys should come to Ottawa to discuss further the advantages and disadvantages of United Kingdom association with Europe and the possible terms on which this might be acceptable. I would emphasize, however, that if discussions are to lead to the effective consultation which both of us desire, we should be supplied in advance with a fairly specific indication of the nature of the arrangements which you might contemplate as a basis for negotiations with Europe.

490.

DEA/12447-40

*L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Belgium
to Secretary of State for External Affairs*

TELEGRAM 446

Brussels, June 8, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: Washington, London, Tariff Del Geneva, NATO Paris, Paris, Bonn, Hague, Rome, T&C Ottawa, Finance Ottawa, Bank of Canada Ottawa, Agriculture Ottawa, PCO Ottawa from Ottawa.

UNITED KINGDOM AND EUROPEAN ECONOMIC COMMUNITY

Following is text of report by Richardson and Renouf (Australian Embassy) on their talks yesterday with Brunet, Chargé of French Mission to EEC.

“Brunet gave the following as French Government’s attitude towards UK’s membership of the Common Market which had just been conveyed to the rest of the Six and to the Commission and UK had been informed (a) there should be a Common External Tariff, i.e. the same tariff (and not repeat not simply a harmonised tariff) for EEC and UK. (b) This common tariff should conform with GATT. (c) If UK entered EEC, subsequent modifications in her relations under EFTA should be subject to discussion with EEC. (d) UK’s membership of EFTA would not repeat not be compatible with membership of EEC. (e) Agriculture. There should be common prices at levels which would give a fair return to producers while not repeat not causing abnormal surpluses. There should also be a joint scheme to finance the export disposal of any surpluses resulting from increased productivity which has to be assumed.

Variable levies should be applied by UK.

Brunet, in speaking, had in his hands a copy of the actual document setting out French attitude but his oral summary was obviously much shorter than the written text.

Brunet explained that point (b) would mean that the common EEC-UK tariff would take into account UK tariff levels. However, he commented that resultant tariff should not repeat not be much different to the present EEC Common External Tariff. On point (e), he said that French did not repeat not want German prices “nor did they want Australian prices.” They thought that present French prices were about right.

Brunet said that UK would find French terms “tough.” He said that Wormser doubted very much whether UK would take the plunge once it had realized all the implications of EEC membership (according to Tabor (Danish counsellor), de Gaulle recently told Danish Foreign Minister that he was “unenthusiastic” about UK membership of EEC).

Brunet offered no repeat not suggestions as to how Commonwealth difficulties could be solved. He claimed that French thinking had not repeat not yet reached this point. He left us to infer that French would not repeat not from their side take initiative in looking at ways of meeting Commonwealth problems.

Asked about the attitude of USA, Brunet understood that USA would not repeat not want UK to have an easy entry into Common Market. Our interpretation of Brunet’s remarks about USA attitude is that USA would not repeat not want UK to enter in ways which would seriously water down Rome Treaty. In fact, Brunet expected USA attitude to be helpful to French in limiting the extent of derogations sought by UK.

Brunet also said that French did not repeat not yet have a position about where negotiations with UK (if they eventuated) would be held or about what role, if any, the Commission should have in them. Personally, he thought the Commission would have to have some role but UK would not repeat not want the Commission to participate at all. He dismissed idea of negotiations in OECD.

Brunet referred, more than once, to how complex negotiations over the UK's membership would be. There were likely to be simultaneous negotiations with some other EFTA countries, such as Denmark and Norway. He did not repeat not allude to question of role of Commonwealth countries in any negotiations but enquired in passing if Australia had thought of an association with EEC. We did not repeat not react to this beyond commenting that "association" was a vague concept and only had meaning when one knew what were the rights and obligations involved.

Please protect Brunet as source of above."

491.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], June 8, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer), (for morning meeting only)
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley), (for morning meeting only)
 The Minister of Public Works (Mr. Walker), (for morning meeting only)
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion), (for afternoon meeting only)
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny), (for morning meeting only).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

POSSIBLE ACCESSION OF UNITED KINGDOM TO
 EUROPEAN COMMON MARKET

9. *The Prime Minister* said that the Canadian High Commissioner in London had telephoned him to discuss recent developments affecting the possible entry of the United Kingdom into the

European Common Market. On June 7th, a representative of the government of France had stated that it would not support the admission of the U.K. except on the terms of the Treaty of Rome, with no derogations from it. Italy was likely to take the same position. Entry on this basis would involve a complete surrender of the previous negotiating position of the United Kingdom. Prime Minister Macmillan was seeking an early decision in the matter. Lord Beaverbrook had expressed the opinion that unconditional acceptance of the Treaty of Rome by the U.K. would mean the end of the Commonwealth, and that Lord Amory had been selected as High Commissioner to Canada because he might be able to "sell" Canada on the U.K.'s entry into the Common Market.

He had received a letter a week ago from Prime Minister Macmillan proposing that Rt. Hon. Duncan Sandys, Secretary of State for Commonwealth Relations, should visit Canada to meet with Canadian Ministers on the question. Apparently Mr. Macmillan wished to be able to say that he had consulted the government of Canada. A subject of such great importance to Canada should not be handled in this almost perfunctory manner. A reply had been sent suggesting Mr. Sandys should not come but detailed proposals should be put forward in advance for consideration.

He thought the Canadian Ministers particularly concerned should visit London to discuss the subject in greater detail and to report back to the Cabinet. Only after these two steps should the proposed visit of Mr. Sandys be further discussed.

10. *During the discussion* the following points were raised:

(a) Prime Minister Macmillan had stated that there would be no consultation with the Commonwealth countries collectively but only with each individually. Obviously he did not wish to face their united opposition.

(b) Some said that President Kennedy might have applied pressure upon the United Kingdom to join the Common Market as a step toward the unification of Europe. In addition, however, it was understood that the U.K. would receive tangible trade benefits including very large orders from European countries for aircraft and munitions if that country joined the Six.

(c) The U.S. administration would probably welcome the end of Commonwealth trade preferences, but the end of the British preference would involve serious losses for Canada. European countries would cease to pay tariff on the entry of agricultural produce to the United Kingdom, and Canada would therefore lose its present trade advantage. In addition, the preference on manufactured products would be lost.

(d) The Canadian government should remind the U.K. government of its promise to consult the members of the Commonwealth, and should urge that a general meeting of Commonwealth representatives be held to discuss the U.K. proposal to join the Common Market.

11. *The Cabinet* noted the statement of the Prime Minister on the possible accession of the United Kingdom to the European Common Market and agreed that he should inform the U.K. Prime Minister,

(a) that the government of Canada considered that a general meeting of representatives of Commonwealth countries should be held to discuss the subject before definite action was taken by the U.K.; and,

(b) that, if no such meeting was held, the U.K. should provide the Canadian government as soon as possible with a resume of their proposed course of action, and that, thereafter, the Canadian Ministers particularly affected should proceed to London to discuss the subject in greater detail and to report back to the Cabinet.

...

492.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], June 9, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair (for morning meeting only)
 The Secretary of State for External Affairs (Mr. Green) in the Chair (for afternoon meeting only)
 The Minister of Finance (Mr. Fleming) (for morning meeting only)
 The Minister of Transport (Mr. Balcer), (for morning meeting only)
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton) (for morning meeting only)
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough) (for morning meeting only)
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr) (for morning meeting only)
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of Agriculture (Mr. Alvin Hamilton) (for morning meeting only)
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

POSSIBLE ACCESSION OF UNITED KINGDOM TO EUROPEAN
 COMMON MARKET; U.K. POLICY ON NUCLEAR WEAPONS
 (Previous reference June 8)

1. *The Prime Minister* said that he had telephoned Prime Minister Macmillan earlier that day and had asked why it had been proposed to send Mr. Sandys to visit the Commonwealth countries rather than the Chancellor of the Exchequer or the President of the Board of Trade who were more directly concerned with trade matters. He said he had a high regard for Mr. Sandys, but the latter was not familiar with the issues. He had further stated that this procedure was not conducive to the best working relationships between Commonwealth countries, and that preliminary discussions of Ministers and officials should be held. He had mentioned reports in the U.K. papers expressing opposition to the proposal that the U.K. join the Common Market. He had also referred to a recent despatch from Paris stating that a member of the French government had said that the U.K. would be allowed to join the Six only on the basis of full adherence to the terms of the Treaty of Rome and this would be impossible because of the Commonwealth. Mr. Diefenbaker had expressed the opinion that a meeting of Commonwealth Ministers concerned, if not Prime Ministers, ought to be held on the subject.

He had also stated to Mr. Macmillan that, if questioned, he would say that some discussion had taken place on the possible accession of the U.K. to the Common Market, that no decision had been made on further meetings, and that the government of Canada considered that a meeting of Ministers of all Commonwealth countries should be held or even a meeting of Prime Ministers.

In reply, Mr. Macmillan had stated that it was difficult to convene meetings of the Commonwealth Prime Ministers at short notice. He seemed to be disturbed on learning Mr.

Diefenbaker's views, but had not given any indication of a change of plans and said he was hoping to get everything in shape.

2. *Mr. Diefenbaker* said that a recent speech by Mr. Watkinson, U.K. Minister of Defence, represented the firm decisions of the U.K. government on nuclear weapons. Mr. Watkinson had stated firstly that the U.K. was in favour of a strong deterrent, that the U.S.S.R. should not be encouraged to form any opinion that tactical nuclear weapons would not be used immediately in the event of war, and that N.A.T.O. would be weakened if it relied excessively on conventional weapons. Secondly, Mr. Macmillan had authorized him to state that the U.K. was prepared to face "the sharing of risk and sovereignty" necessary to bring unity in Europe. Thirdly, he had declared that Britain would join with other N.A.T.O. countries in the sharing of defence production. The speech had also included a number of other important points, including an opinion that the banning of nuclear weapons might increase the danger of war, an opinion that Western nations should depend principally upon nuclear weapons until disarmament was achieved, and a declaration that the U.K. would accept the location of tactical nuclear weapons in that country.

He had been told by Mr. Macmillan that the U.K. would be able to sell a large amount of aircraft and other military equipment to countries of the Common Market.

3. *The Cabinet* noted with approval the statement of the Prime Minister on his telephone conversation with Prime Minister Macmillan on the possible accession of the United Kingdom to the European Common Market, and approved the nature of the reply he proposed to make to an expected question on the subject in the House of Commons.

...

493.

DEA/12447-40

Note du sous-secrétaire d'État adjoint des Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL

Ottawa, June 10, 1961

U.K. AND EUROPE

Bilateral Versus Collective-Commonwealth Consultations with the U.K.?

In direct discussions between Canada and the U.K. we are able to make the most of the special features of our position, which, in their baldest terms, would seem to be:

- (a) the important U.K. investment and trading stake in Canada;
- (b) the long record of Canadian assistance to the U.K. in times of difficulty;
- (c) the value which the U.K. Government places on cooperation with Canada on economic matters generally (bilaterally, in the Fund and GATT, in the OECD, in aid programmes and so on);
- (d) the particular value which the U.K. attaches to Canada's role in the military field and as a NATO ally;
- (e) the concern which any U.K. Government must have over the effects which unfair treatment of Canada would have on opinion in countries where Canada is held in some regard (especially in the U.K. itself but also in the United States and elsewhere).

Such special factors as these can be brought to bear in bilateral discussions (or might even be taken into account by the U.K. without our having to stress them). They may, however, tend to get lost or diluted in a general Commonwealth discussion.

This would seem to be especially true of consultations on economic questions where not many members share our interests (for example in manufactured goods and temperate-zone products) and where virtually all of the other members are more beholden to the U.K. than we are (because of their greater concentration of trade and other commercial and financial activities in London, because of their membership in the Sterling Area, or because of the heavy reliance of the new countries on the U.K. in the early stages of their independence).

It may of course be that any settlement would be more palatable politically in Canada if it emerged from, or was preceded by, a general Commonwealth meeting. It may also be that knowledge of Canada's stand would convert some members to our views even though their own narrow interests did not point in that direction. It would not seem, however, that with the present balance of interests in the Commonwealth we can count on widespread support for our position. There might, therefore, be some risk in staking our interests too heavily on the rather unpredictable moods of Commonwealth meetings.

Whatever Commonwealth discussions are to be held it would seem to be to our advantage from a negotiating point of view to use our bargaining position to the full in bilateral discussions when it is considered that the time has come.

A.E. RITCHIE

494.

DEA/12447-40

Note du sous-secrétaire d'État adjoint des Affaires extérieures

Memorandum by Assistant Under-Secretary of State for External Affairs

CONFIDENTIAL

Ottawa, June 10, 1961

CAN BRITAIN BE KEPT OUT OF EUROPE?

IF for political or economic reasons consideration were to be given to the possibility of keeping the U.K. from joining the Six, the questions then would be:

- (a) Could we be confident that Britain could in fact be persuaded or prevented from joining?
- (b) If so, how could it be done?
- (c) If it was not certain that she could be kept out, should the attempt nevertheless be made?
- (d) If a strenuous effort at obstruction were made but did not succeed, where would we then be left? Would it be better to have tried and failed than never to have tried at all?

* * * * *

In judging the chances of keeping the U.K. from merging with Europe we should try to measure the forces which are operating or which can be mobilized.

In the U.K. itself there are powerful forces working for U.K. merger with Europe. These include many U.K. Ministers, considerable parts of the Conservative and Liberal parties (and sections of the Labour Party), most of U.K. officialdom, the major industrial groups, prominent leaders of the Trade Union Congress, much of the Press, a growing number of farm organizations, and various groups of prominent public figures (including the impressive one led by Lord Gladwyn).

The vocal opposition within the U.K. includes elements of the Conservative Party, some of leadership of the Labour Party, some of the mining unions and some other parts of the Trade Union movement (concerned about immigrant labour), Empire and Commonwealth groups and parts of the Press associated with them. No doubt some Ministers also have reservations but those are unlikely to be expressed loudly, unless a real crisis in opinion is reached or created.

In Europe there are strong forces favouring a U.K. merger. These forces are probably strongest in the Netherlands, Germany, Belgium and Italy, within the Six, and in Norway, Denmark, and perhaps Sweden, among the Seven.

The opposing pressures in Europe are probably mainly in France but could develop also in some of the EFTA countries (particularly the neutrals) if it appeared that the U.K. was deserting them and was going in with the Six on terms which left no place for them.

Within the Commonwealth the balance of forces is somewhat unpredictable. At the moment it would appear that the forces against union are strongest in Canada, Australia and New Zealand (and Hong Kong). Most of the African and Asian members would appear willing to acquiesce in U.K. membership if something can be done (as seems likely) about cocoa and certain other tropical products and perhaps about increasing the volume of capital available from the New Europe for their economic development.

In the United States some official sympathy has been expressed with the idea of U.K. political union with Europe. Opposition could, however, develop if it appeared that U.S. agricultural and commercial interests would suffer severely or if it seemed that U.K. membership would produce a "Third Force" in Europe on whose cooperation the U.S. could not depend.

* * * * *

In the light of this apparent alignment of forces it would seem clear that an all-out effort to stop a U.K. move into Europe would involve mobilizing most or all of the potential opposition in the U.K. itself, in the Commonwealth, in Europe, and in the United States. A half-hearted attempt (confined, for example, to the U.K. and perhaps the Commonwealth) might well not produce sufficient resistance. If a serious effort were to be made, there would have to be a readiness to resort to all prospective sources of opposition. Even then there would be no assurance of success. The protagonists of European Union would undoubtedly also be able to rally impressive support if it appeared that a formidable organized effort was being mounted to defeat or dissuade the advocates of Union with Europe.

* * * * *

Even a successful all-out campaign would leave a good deal of bitterness in the U.K. and perhaps in other places (such as the Netherlands and the Scandinavian countries). Those who were held responsible for such a situation might not receive much political credit even at home.

An unsuccessful full-scale campaign would leave a shambles. It would be very hard then to pick up the shattered and pieces and reconstruct a reasonable economic and political relationship between Canada and the U.K. and between Canada and Europe. Would it be going too far to imagine that in such a desperate political and economic situation Canada would either have to "go in with" the United States or accept a position of defiant (but un-splendid) isolation?

* * * * *

The moral of all this would seem to be that while we should not allow ourselves to be pushed, and while we should not hesitate to warn the U.K. Government sternly of the dangerous political pitfalls on the course which they are contemplating, we should refrain from “do-or-die” opposition to their move. We should make it completely clear that we are not prepared to pay a price or undergo sacrifice for a doubtful political objective which is not demonstrably in our interest. We should avoid “brinkmanship” but should leave the British in no doubt that when, and if, they make up their mind to move they shall be in for some tough negotiating with us.

A.E. RITCHIE

495.

J.G.D./MG01/XII/C/108.1 (Vol. 54)

Note du premier ministre

Memorandum by Prime Minister

[Ottawa], June 10, 1961

U.K. ENTRY INTO EUROPEAN TRADE AREA

In connection with the United Kingdom entry into the European Trade Area I read the reports from London† which indicated that Prime Minister Macmillan wants to have this question decided by the latter part of August as the final Tariff arrangements for the next five years by the European Free Trade Area are going to be determined.

That is apparently why he wants some kind of consultation in advance.

There is a regular meeting in September or October to deal with economical and financial matters but that is too late. By the time it is called everything will be cut and dried.

J.G. D.[IEFENBAKER]

496.

DEA/12447-40

*Note du premier ministre du Royaume-Uni
au premier ministre*

*Message from Prime Minister of United Kingdom
to Prime Minister*

SECRET

Ottawa, June 12, 1961

MESSAGE DATED 10 JUNE , 1961

In the light of our telephone conversation on the 9th June and of the statements which you made in your Parliament yesterday I have been thinking further about the arrangements for Commonwealth consultation on the European problem.

We have made it plain from the outset that we would consult other Commonwealth Governments fully before reaching any decision to negotiate with the Six, and we have always contemplated that throughout any such negotiations we should need to make special arrangements to enable us to keep in close and continuous touch with other Commonwealth Governments. I do not at all exclude the possibility that at some stage it will be necessary and appropriate to hold some collective Commonwealth discussion at a meeting of Prime Ministers. But I am sure that it would be premature to envisage such a Conference at this stage. What we have to do now is to make up our minds whether there is a reasonable prospect of obtaining in any negotiations with the Six safeguards for the essential interests of other

Commonwealth countries. What these essential interests are and how they can best be handled is something which we in the United Kingdom would not wish to try to judge unilaterally. It is something which we wish to work out together with our Commonwealth partners. The extent and the ways to which the various countries of the Commonwealth would be affected vary widely from one country to another, and I am sure that it will be more profitable for this particular phase of the consultations to be conducted on a bilateral basis. It was for this reason that I proposed a series of visits to Commonwealth capitals, I proposed that these should be undertaken by senior members of my Cabinet because I am sure that we ought now to look at these problems jointly at a political level.

One of the particular questions which these Ministers will be discussing in Commonwealth capitals is that of the machinery required for continuing consultation. I am specially anxious to have your views and those of other Prime Ministers on this.

I am asking Duncan Sandys to visit the three "old" Commonwealth countries because I believe that the issues at stake for them are perhaps the most vital in the Commonwealth context. He has been a member of the small group of Ministers which has been considering this problem here under my Chairmanship, and he is fully versed in all its aspects.

As regards timetable I propose that Duncan should leave for Canberra on the 23rd June. He will need four days or so there and about the same time in Wellington. This means that he could reach Ottawa by about the weekend of the 8th/9th July. I hope very much that this will be convenient for you. It is important that he should be able to get back here by the middle of July for the further discussions we must have on this before our Parliamentary recess.

You asked whether we could send you in advance a memorandum giving "a fairly specific indication of the nature of the arrangements which we might contemplate as a basis for negotiations with Europe." As I have said above we do not wish to reach a view about the special arrangements that we might seek to get for the Commonwealth until we have had these further discussions with our Commonwealth partners. If we tried to set these down precisely now we should be anticipating the very discussions which we are now proposing to hold with you and other Commonwealth Governments. I am, however, arranging for a Paper to be prepared describing the stage which we have now reached and indicating the nature of the problems about which we have jointly to confer.

497.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

TELEGRAM 2142

London, June 13, 1961

SECRET. CANADIAN EYES ONLY. EMERGENCY.

For Immediate Personal Delivery.

No repeat no other distribution.

UK AND COMMON MARKET

1. Your message† delivered to Prime Minister's Office before 2 p.m. London time. He made statement in House at 4 p.m., of which I shall send you full *Hansard* report by mail tomorrow morning. In statement he said "We regard it as essential that there be consultation. I have arranged for Secretary of State for Commonwealth Relations and two other senior ministers to make individual visits. My proposals have been generally welcomed."

2. He then said that he had been in touch with you and his words were "He is very happy about the arrangements." Under strenuous questioning from the Opposition, he did say that it might be necessary for there to be a collective meeting of ministers, and under further questioning he said that possibly after that there might be a meeting of prime ministers.

3. He did make one very significant statement. In response to questioning by Gaitskell, he said that "the only decision now is whether or not repeat not to enter negotiations." Then, again under further questioning from Gaitskell, he said "The Prime Minister of Canada has greatly welcomed my last communication."

4. In answer to another question he made what seemed to me a significant comment. He said "There are those who think there should be some federal organization in Europe and there are those who think that it should be a confederal arrangement such as the French apparently prefer." Then again referring to the idea of the present trips of ministers he said "the first thing to find out is whether negotiations can be made." I find it difficult to place any other interpretation on these words than that they regard these visits as consultations and upon that basis they will determine whether there should be negotiations. That is why I think the utmost caution should be exercised in giving Sandys any opportunity to convey the impression that he has had consultations with you personally and then place his own interpretation upon them through his well-known method of anonymous press briefings.

5. There is no repeat no doubt that this subject has now become an issue of primary importance. I can seldom recall so angry a House, and when the speaker announced that no repeat no further questions would be permitted on the statement made by the Prime Minister, there were at least twenty on their feet on each side of the House seeking the right to speak. Perhaps some indication of the atmosphere is contained in Macmillan's remark to Shinwell. The latter asked Macmillan if he did not repeat not realize that the fate of the Commonwealth was being endangered by the course that is being followed. Macmillan, who is usually so urbane, created tremendous uproar when he commented "The honourable gentleman has become very patriotic in his old age."

6. I was interested in the fact that you apparently received Macmillan's message yesterday afternoon. It arrived in Ottawa on Saturday and was in my possession early yesterday morning. I am even wondering, in view of the comments made by Macmillan today, if he has yet received the report of your conversation with the High Commissioner. This does lead me to suggest that any messages to be communicated to Macmillan be sent here for transmission, because they will be delivered without delay day or night. It also leads me to suggest that it would be helpful if Robinson could keep me informed of any significant communications from Earncliffe, as it would appear we may not repeat not learn of them otherwise.

[GEORGE] DREW

498.

DEA/12447-40

*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, June 14, 1961

THE UNITED KINGDOM AND THE EUROPEAN COMMON MARKET

On instruction the French Embassy have now conveyed to us the conditions under which they would be prepared to agree to United Kingdom accession to the Common Market. These are:

- (a) The United Kingdom would have to accept the common tariff and not simply a harmonized tariff;
- (b) The common tariff would have to be applicable to the products of all countries not themselves members of the common market;
- (c) The arrangement would have to include agriculture, and could not be confined to industrial products;
- (d) The United Kingdom system of subsidies or deficiency payments would have to be modified as it could not, in the French view, be reconciled with a common agricultural policy;
- (e) There would have to be uniformity of agricultural prices throughout the common market area;
- (f) Agricultural products would have to be able to circulate freely within the whole of the common market area;
- (g) All of the members of the common market would have to accept a joint responsibility for dealing with surpluses that might arise.

2. These terms are very stringent from the point of view of both the United Kingdom and ourselves. It is particularly worrying with respect to agriculture. The French decision, however, is consistent with what they have been saying in the past and with the position they took in the earlier free trade area negotiations three years ago.

3. In view of the possible negotiations which lie ahead, the French position must be regarded as a bargaining one. However, they regard their position as very strong (and their assessment is probably fairly accurate) because:

- (a) they have indicated that they would be unwilling to move into the second phase of the common market until the agricultural issue within the EEC is resolved;
- (b) the United Kingdom Government have said publicly that they could not allow negotiations this time to fail;
- (c) the French would appear to have the support of the United States in pressing the United Kingdom to accept most of the provisions of the Rome Treaty in order not to weaken the political fabric of the EEC.

N.A. ROBERTSON

499.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], June 15, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Public Works (Mr. Walker),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny),
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

POSSIBLE ACCESSION OF UNITED KINGDOM TO EUROPEAN COMMON MARKET
 (Previous reference June 9)

1. *The Prime Minister* said that the United Kingdom government had asked whether Mr. Sandys' visit to Canada might be scheduled for June 25th to 29th inclusive. This change had been requested because the Australian government was unable to receive Mr. Sandys on dates previously prepared. The Japanese Prime Minister would be visiting Ottawa on June 25th and 26th. Furthermore, the proposed dates were likely to conflict with the Budget debate.

The British government seemed to be trying to complete preliminary discussions with Commonwealth countries so that before the end of July they might indicate formally their desire to join the Common Market. The French government had stated that the United Kingdom would be admitted only on the basis of full compliance with the Treaty of Rome, and an arrangement on these terms would have serious implications for Canada.

2. *During the discussion* the following points were raised:

(a) Mr. J. Rey, Secretary General of the Common Market, had informed the Secretary to the Cabinet earlier on this day that the Six were not pressing the U.K. government to act quickly. Mr. Rey anticipated that the proposed joining might take some time to work out, and that the detailed study of the question would not get under way until the autumn of 1961. Some derogation from the Treaty of Rome might be accepted, but this would be a matter for negotiation after the completion of the detailed study.

(b) The U.K. High Commissioner had also stated that events were not really moving as quickly in that country as the London newspapers were implying.

(c) The tactics of the U.K. government seemed to be to obtain the support of Australia and India and some other member countries before approaching Canada and New Zealand, the only two countries that had been expressing opposition to U.K. membership in the Common Market. Recently, there had been some signs that the Australian government was becoming more impressed with the possible dangers of the proposal.

(d) Mr. Sandys' visit should be postponed to mid-July, or later if possible. The greater the delay, the more the U.K. government would be under pressure to avoid taking a step that might dissolve the Commonwealth. The British press was already drawing attention to this possibility.

3. *The Cabinet,*

(a) noted the suggestion of the government of the United Kingdom that Mr. Sandys visit Ottawa this month to discuss the possibility that the U.K. might join the Common Market; and,

(b) agreed that the Prime Minister should suggest to the U.K. government that the visit be postponed until mid-July, or later in July if possible.

...

500.

DEA/12447-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], June 15, 1961

VISIT OF MR. SANDYS

This is to confirm that following the Cabinet meeting this morning, the Prime Minister gave instructions that Earncliffe be informed that owing to the budget and other parliamentary matters, it would not be possible for the Ministers concerned to meet with Mr. Sandys during the last week of June.

2. After speaking to the Departments of Finance and Trade and Commerce regarding the programmes for July of Messrs. Fleming and Hees, I conveyed the Prime Minister's message to Fowler with appropriate regrets and said that the dates most convenient from the Canadian point of view would be July 11-15 (of which the Prime Minister himself would be in Ottawa July 14 and 15). I also told Fowler, in response to his enquiry, that the Prime Minister would prefer not to have it suggested that the first week of July might be a possible time from the standpoint of Canadian Ministers.

3. I have sent a telegram in the above sense to the High Commissioner in London and to the Minister in Geneva.

H.B. ROBINSON

501.

DEA/12477-40

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

TELEGRAM 1957

Washington, June 20, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. PRIORITY.

Reference: Our Tel 1956 Jun 20.†

Repeat for Information: London, NATO Paris, Paris (Priority), Geneva, Bonn, Brussels, Hague, Rome (Priority) from Ottawa, T&C Ottawa, Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

UK/EEC-SOME THOUGHTS ON USA POSITION

There is a good deal of reluctance in the State Department to becoming involved in the controversies and negotiations which would precede UK entry into the Common Market. Although it has attempted to avoid taking sides publicly, USA has already been subjected to criticism that it supports EEC at the expense of EFTA. The expression [of] USA views on particular issues arising in the negotiations between EFTA countries and EEC would make USA even more vulnerable to criticism and recrimination, as is shown by the recent controversy over the mechanics of the negotiations (i.e. the simultaneous or two-stage problem referred to in our telegram 1874 June 12).† Hence a non-committal attitude appears the course of wisdom to those concerned with this matter in the State Department.

2. However, there are two reasons why it seems very doubtful whether USA will, in fact, be able to remain aloof from the negotiations once they begin: (a) USA interests will be directly involved; (b) the protagonists are already addressing appeals to Washington either for expressions of opinion on issues which have arisen or for support for positions they will attempt to carry in the negotiations.

3. If USA enters the arena there is a wide variety of ways in which it might attempt to use its influence. Three broad courses of action merit attention at this time. USA might: (a) support or oppose UK efforts to obtain major derogations from the Rome Treaty in the interests of UK agriculture and the Commonwealth; (b) facilitate the conclusion of special marketing arrangements to protect the export industries of third countries from serious injury as a result of UK entry to the Common Market; (c) seek to mitigate the injurious discriminatory effects of the enlarged Common Market by MFN tariff reductions negotiated among the members of the North Atlantic community.

Derogations from the Rome Treaty

4. It could be argued that UK adherence to EEC would be seriously prejudicial to USA agricultural interests if UK were obliged to participate in the CAP and that USA might therefore favour an exemption for UK from the latter. However, political objectives dominate the thinking of USA government and there is no repeat no indication that this will change. During Mr. Macmillan's visit to Washington, President Kennedy told him that USA would not repeat not accept or support any derogation from the Rome Treaty in respect of agriculture on the grounds that although the agricultural provisions of the Common Market created substantial difficulties for USA, a careful balance had been achieved in the EEC negotiations which took into account the agricultural question and that, in USA view, any move to exclude agriculture at this stage would result in wrecking the Common Market.

5. We have also learnt that USA authorities consider that the current French attitude on the related questions of the next round of EEC acceleration and progress on the CAP are directly linked to the possibility of UK entry into EEC. According to USA officials, French consider that it would not repeat not be possible for UK to begin negotiations much before the year end and they are determined to firm up the CAP by that time, using the desire of other EEC members for further acceleration as leverage. USA authorities appear to acquiesce in this French position, thus providing further evidence that their own position on EEC agriculture remains unchanged.

6. Insofar as USA interests are concerned, granted USA political support for an enlarged EEC without significant derogations from the Rome Treaty, the best that USA authorities could hope for in the short run would appear to be that UK would accept the CAP and would work from within to modify it in a direction favourable to the interests of other agricultural exporters. USA officials are, however, rather doubtful about the extent of UK bargaining power in such an exercise.

7. In their assessment of the prospects for USA agricultural interests, USA officials are also faced with another complicating factor: they appear to be moving towards the conclusion that UK agriculture is likely to be a less serious obstacle to UK entry in EEC than the Commonwealth problem including, of course, temperate foodstuffs. While we would expect USA to oppose any major derogation from the Rome Treaty on behalf of the Commonwealth, other alternative solutions are available. Some of these, discussed below, might have an adverse effect on USA agricultural markets in Europe and this has caused USA officials some concern.

Special Marketing Arrangements

8. For USA, the least objectionable method of safeguarding Commonwealth economic interests on UK entry into the EEC would clearly be one which equally safeguarded other third-country interests without impairing the integrity of EEC. Even this would cause difficulty for USA since it implies special marketing arrangements in the enlarged EEC for exporting countries and USA authorities, as a matter of economic theory and in the interests of the rational development of the Common Market over the long run, would probably find the permanent establishment or the institutionalization of such marketing arrangements objectionable.

9. Anticipating that other solutions may be discussed during the UK/EEC negotiations, the State Department has made a study of the impact of UK entry into the Common Market on USA agriculture exports to the area under various other assumptions. One extreme assumption was the Commonwealth countries might be associated with the Common Market as AOTs under Part IV of the Rome Treaty. The study apparently suggested that the results might well be catastrophic for USA with the loss of e.g. all of its EEC tobacco market to Rhodesian imports and 5 percent of its coarse grains market to Australian and Canadian imports. This possibility therefore seems remote both on the grounds of certain USA opposition and the unlikelihood that it would appeal to the present members of EEC or to Commonwealth countries themselves.

10. The State Department also considered the possibility of some form of special preferential marketing arrangements for Commonwealth agriculture exports to the enlarged EEC. Such an arrangement might take the form of modified preferences or of tariff quotas. Both would be unattractive to USA but, to the extent they met legitimate Commonwealth concerns and did not repeat not react to the detriment of USA agriculture exports, they would be less objectionable than either a derogation from the Rome Treaty or a solution under Part IV of the Treaty. However, if USA would find it difficult to go along with permanent or institutionalized special marketing arrangements for all third exporting countries (paragraph 8 above), it would, a

fortiori, have greater difficulty with a similar but preferential arrangement for the Commonwealth. Probably the ultimate which USA could accept along these lines would be transitional arrangements for a limited period. They would not repeat not therefore constitute "compensation" for Commonwealth countries but mitigation for a transitional period. In addition USA interests in the detailed negotiation of such special arrangements might be expected to diverge from those of the Commonwealth countries concerned to the extent that any special arrangements threatened to cut into USA markets. Finally, USA is extremely concerned about Latin American countries' export prospects and will face a serious policy dilemma if a solution of the Commonwealth problem involves, even for a transitional period, a privileged position in the enlarged EEC market for Commonwealth as compared to Latin American countries.

The North Atlantic Community

11. Speaking privately, State Department officials have told us that the long term objective towards which USA will be working is a low tariff North Atlantic community. This is, of course, an embryonic idea at present and faces many hurdles, including the difficult congressional fight which is expected next year over the renewal of the reciprocal trade agreements legislation. Without renewed tariff cutting authority, USA ideas for tariff reductions among North Atlantic countries cannot repeat not be made effective. The fact that the new legislative authority is most unlikely to be voted until the latter part of next year also means that the implementation of the ideas cannot repeat not begin before 1963 at earliest. They are, however, of some interest. In the first place they would go some way towards reducing the discriminatory effects of the enlarged EEC. Second, if special transitional arrangements are the best that Commonwealth countries can secure for themselves in the UK/EEC negotiations, a low tariff North Atlantic community might offer some hopes for Canada, at least, to adjust in the long term to what are likely to be the realities of the enlarged EEC. Third, in the opinion of USA officials OECD may have a major role to play in eventual negotiations for a low tariff North Atlantic community.

502.

DEA/12447-40

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

TELEGRAM 1958

Washington, June 21, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. PRIORITY.

Reference: Our Tel 1956 Jun 20.†

Repeat London, NATO Paris, Paris (Priority) from Ottawa, Bonn, Brussels, Geneva, Hague, Rome (Priority) from Ottawa, T&C Ottawa, Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa (Priority) from Ottawa.

By Bag Moscow from London.

UK/EEC: POLICY CONSIDERATIONS AFFECTING CANADA AND USA

UK membership in EEC under the present terms of the Rome Treaty would have a far more direct and serious impact on Canada than on USA. The trade effects on Canada would include basic changes from our present preferential and duty free access to UK both for industrial and agricultural goods. These losses with respect to Canadian terms of entry in UK might well be mitigated, and possibly even offset in the long run, by some lowering of the Common External

Tariff resulting from UK adherence to EEC and by the growth of trade stemming from a wider mass market in Europe and UK. The extent to which Canada would share in this growth would of course depend on the nature of the arrangements that might be negotiated.

2. UK merger with the Six would involve not merely increased trade discrimination but would entail basic changes in Canadian and Commonwealth trade relations with UK and would have far-reaching psychological and political implications. The effect on Canada (and other Commonwealth countries) thus differ not merely in degree but also in kind from the effect on USA.

3. The negotiations between UK and the EEC will therefore affect vital Canadian interests. While many of the main elements will be outside direct Canadian control there will be an important stage involving bilateral and wider consultations in the Commonwealth framework. However, present USA policy (which tends to reinforce that of the Six) could be expected, by opposing substantial derogations from the Rome Treaty except possibly in terms of a transitional period, to limit the scope of UK/EEC negotiations and narrow the possibility for effective safeguards for Canadian (and other Commonwealth) trade to what would in effect be a salvaging operation involving limited concessions on an MFN basis in UK, Europe and USA to offset losses in Commonwealth tariff preferences. Even at best this would mean replacing special and valuable Canadian advantages by piecemeal compensation.

4. It can therefore be argued that, in addition to the important Commonwealth consultations envisaged, from Canadian point of view, what is required is more room for manoeuvre and, as a prerequisite, a loosening up of the attitude of USA. The entry of UK into EEC, and the consequent injection of Commonwealth interests into the European scene, might well provide an opportunity for a significant reorientation of USA policy not merely in relation to EEC but also in foreign trade matters generally. Some thinking along these lines is, in fact, under way here and it is for consideration whether Canadian interests might not be promoted by embarking on a process of serious exploratory discussion with USA authorities, designed to influence them in a direction favourable to ourselves and to support them against the domestic protectionist pressures which may be exercising an opposite influence. The timing and objectives of such discussions would, of course, require careful consideration in the light of the assessment of Canadian interests and the broader perspective available in Ottawa.

5. The question arises whether there is a realistic possibility of changing USA attitude and, in particular, of getting the USA authorities to focus on the immediate problems of the Commonwealth and the broader issues involved. USA policy towards EEC would appear to be too deeply established to be fundamentally altered and it therefore seems very doubtful whether any variant of the original UK FTA proposals, such as the new Swedish plan,²³ or any major derogation from the Rome Treaty would receive sympathetic consideration (let alone support) in Washington.

6. A case might, however, be made along the following lines: we could seek to impress on USA authorities in some detail the serious nature of the issues raised for Canada by prospective European developments and to make it clear that these go well beyond purely European questions or questions of increased trade discrimination. They involve fundamental changes in Canadian and Commonwealth relationships with UK, having both economic and political implications from which USA should not remain aloof. We could argue that the present USA position, while in effect closing the door to derogations from the Rome Treaty, fails to substitute any other satisfactory solutions from the point of view of other third countries directly affected. We might then go on to suggest to USA authorities that means must

²³ Voir la lettre 278 de Stockholm, 12 juin 1961. † DEA 12447-40.
See Stockholm letter 278, June 12, 1961. † DEA 12447-40.

be found to mitigate the impact of these developments on world trade relations. Three main areas of approach, none of which are mutually exclusive, might be explored:

(a) Apart from derogations intended to retain as much as possible of the Commonwealth's special position in the UK market, there is the possibility of transitional accommodation on either a preferential or non-preferential basis (our telegram 1957 June 20 refers).

(b) *Basic Changes in EEC Policy.* This would require very strong USA pressure on the Six substantially to reduce their external barriers and to modify their agricultural régime as part of the process of European Union. This approach would be consistent with present USA policy and also with the terms of the Rome Treaty. Such policy changes in the Common Market would go a long way in easing the impact of UK merger on the outside world but seem unlikely of realization on a unilateral basis by Six.

(c) *New Multilateral Initiatives.* Possibly a more hopeful approach might be to suggest that the UK move into Europe should be made the occasion for a determined advance towards broad multilateral trade liberalization involving not repeat not only duty free entry for selected tropical products but an extension of duty free entry to basic raw materials, reduction of agricultural protection and significant tariff reductions by UK, the Six and USA. This would be a major move towards a new alignment of trading relations among members of the free world.

7. There would not repeat not appear to be any inconsistency in pursuing one or more of the above lines simultaneously and it might indeed be useful to do so, at the proper time, in any approach made to USA authorities. These lines are, moreover, not repeat not entirely alien to the thinking of USA Administration as witness, for example, the USA emphasis on the concept of an Atlantic community, USA proposals for free trade in tropical products, for a multilateral solution on textiles and for much greater common efforts in foreign aid. Thought is also being given to the renewal and recasting of USA reciprocal trade agreements legislation next year. While directly related to the UK/EEC problem, Canadian discussions with USA authorities might also serve a useful purpose in relation to this legislation by strengthening the Administration's hand against the protectionist pressures mentioned in our telegram 1836 June 8† a renewal of the Administration's tariff cutting authority would, of course, be a necessary condition for new multilateral initiatives of the kind mentioned above.

503.

DEA/12447-40

*Note du directeur adjoint de la direction générale
des Relations commerciales internationales, ministère du Commerce,
pour le conseiller, ambassade aux États-Unis*

*Memorandum from Assistant Director, International Trade Relations Branch,
Department of Trade and Commerce
to Counsellor, Embassy in United States*

CONFIDENTIAL

[Ottawa], June 26, 1961

U.K. AND EUROPE

The following are points of interest in conversations with Reisman, Sanders (UK) and Wyndham White.

(1) *Canadian Position*

The Canadian position is that the UK must make its own decision but it should do so in the full knowledge of Canadian views. Canadian ministers and officials seriously question the validity of the political and economic arguments for the UK joining the Six. At the same time

they stress the political importance of the Commonwealth to the Western world as a whole and point out that free access to the UK market is the “keystone” of the Commonwealth system. UK membership within the Rome Treaty would thus hold serious consequences for the future of the Commonwealth. In addition to this general point, Canada attaches great importance to her traditional terms of access to the UK market for both manufactures and agriculture and will pursue whatever policy may be necessary to ensure the maximum retention of these terms of access. Specifically if, in spite of expression of these Canadian views, the UK decides to join the Six, Canada’s negotiating objective would be to obtain maximum derogations from the Rome Treaty for Commonwealth free entry and preferences.

(2) French Position

Kojeve told us that the real purpose of his presence in Washington was to express French views on the question of the UK joining the Six. He indicated these were the views of Wormser and Clappier and that they reflected General de Gaulle’s assessment. He said the French disagreed with the U.S. view that UK membership in the Six would be politically desirable. The French realized that Germany would, in time, become the dominant power in the Six but that if the UK were within the group, far from representing a counter-weight, this would force the UK into commitments towards Germany. In the French view the UK could exert a more powerful independent influence counter-acting Germany by standing outside the Common Market than by joining it.

(3) UK Position

Sanders described the split within the UK on the issue of membership with Europe. He said that Macmillan was “rushing blindly and emotionally” into what he felt was an historic decision. The Foreign Office had written off the Commonwealth as a strong continuing political entity and was “under the illusion” that the UK could exert the dominant role in Europe by joining the Six, and that this would also bring them closer to the U.S. Sanders said this view was not shared by other government departments or in many sections of the country. In particular, this assessment was strongly opposed by the Board of Trade and the Commonwealth Relations Office. Sanders personally disagreed with the view that UK membership would benefit the UK commercially. He also felt the indirect economic benefits from membership in the Rome Treaty could be achieved by other means.

Wyndham White commented that, if the UK policy was to join the Six, they should have signed the Treaty and argued about derogations afterwards. While it was easy for the French to keep the UK out by refusing to agree on suitable terms, it would be impossible for them or anyone else to kick the UK out, once they were in. The Six would, thus, be in a much weaker bargaining position in negotiating detailed terms. Wyndham White thought the UK had missed the psychological moment for joining the Six and the dissident forces, both within the UK and outside, would now gather momentum.

(4) U.S. Policies

Wyndham White said he had not been too impressed with the present policy team in State Department in terms of their effectiveness. The situation seemed very chaotic. He did not feel that one could look to the U.S. to come up with very far-reaching and sustained initiatives in trade policy at this time. However, there were some very good people in senior positions in the Administration and a general receptivity to imaginative ideas. Wyndham White thus felt it was important for the impetus to come from the outside and that while the U.S. itself might not initiate, the U.S. might well respond favourably to external pressures. In connection with next year’s trade agreements legislation, Wyndham White thought that outside countries should face the U.S. with the maximum challenge and, in fact, it would be as easy or as difficult for the Administration to seek far-reaching authority as to seek something much more modest.

(5) OECD and GATT

Wyndham White seemed very resentful about the apparent indecision of the U.S. and particularly of Ball with regard to whether GATT or OECD should handle the textile problem. Wyndham White said he had told Ball flatly that he would not attend the textile meetings if Kristensen was also invited. He felt strongly that the time had come for him, as GATT Executive Secretary, to take a firm stand and the U.S. Government with the basic issue of whether GATT or OECD was to be the central forum for trade policy negotiations. He stressed this was not a question of jurisdictional disputes or personal involvement, but a deeply-felt view of his responsibilities toward other GATT members. He considered it would be most unfortunate if the major governments were to develop any substantive trade policy decisions within OECD.

M. SCHWARZMANN

504.

J.G.D./XIV/E/167.2

Note

Memorandum

SECRET

[London, n.d.]

PAPER FOR MR. DIEFENBAKER²⁴

In his message of June 10 to Mr. Diefenbaker Mr. Macmillan said he was "arranging for a paper to be prepared describing the stage which we have now reached and indicting the nature of the problems about which we have jointly to confer."

The Present Situation

2. The starting point in the analysis of the problem with which we have to deal is the undoubted fact that the European Economic Community (E.E.C.) is developing into an effective political and economic force. The Community is already ahead of the programme for tariff reductions laid down in the Rome Treaty. By the end of this year, internal tariffs will probably have been reduced to half the level prevailing in 1957. Progress towards implementing the economic and social provisions of the Treaty has been less rapid. But there can no longer be any doubt that the Six are moving surely and steadily towards a wide range of common policies in these spheres. In addition to the normal meetings of the Council of Ministers of the E.E.C., Ministers responsible in other fields meet from time to time to discuss common problems. The habits of co-operation which are developing at all levels are likely to encourage a progressive sense of unity and understanding in the political as well as in the economic field. Indeed, the Six are now in the process of establishing machinery for regular political consultations. The Community has acquired a dynamic of its own, with wide popular appeal in the six member countries.

3. This rapid and healthy development of the Community is to be welcomed for many reasons, and especially for the assurance it gives of strength and stability on the Continent of Europe. On the other hand, it is bringing about an increasingly wide economic and political division in Western Europe as a whole. This is liable to create weakness in the Western Alliance, and to affect adversely the political and economic position of the United Kingdom, and consequently of the Commonwealth. It is important to the United Kingdom and to the

²⁴ Note marginale :/Marginal note:

July 3/61. Received in secret & personal letter from Mr. Macmillan. [John G. Diefenbaker]

Commonwealth as a whole that we should be in a position to influence the policies adopted by the Community – economically as a purchaser, financially as a supplier of capital, and politically in the context of the dangers from the Soviet bloc – in a direction consistent with our own policies and with our interests.

4. We realised this problem at an early date. When we decided at the end of 1955 not to take part in the negotiations for the establishment of the E.E.C., we were influenced by two considerations, in both of which we were to be proved wrong. First, we doubted whether the Six would succeed in establishing an effective and developing Community; the developments described above have removed these doubts. Secondly, we thought that a satisfactory form of association could be established with the E.E.C. on terms which would raise fewer difficulties for us than full membership.

5. The prolonged negotiations for a Free Trade Area which we initiated in the autumn of 1956 finally broke down at the end of 1958. We then opened informal discussions with a number of O.E.E.C. countries outside the E.E.C., about the possibility of establishing an association on free trade area lines which would enable intra-European trade to continue on a multilateral basis over as wide an area as possible; provide some compensation to member countries for the losses which they would incur in E.E.C. markets; and assist in promoting the negotiation of a wider agreement with the Six. Formal negotiations followed and the Stockholm Convention establishing the European Free Trade Association was signed in November, 1959. Thereafter, we attempted to revive negotiations with the Six through the Trade Committee of Twenty-One set up as a result of the special economic conference held in Paris in January, 1960. But it became clear to us during the summer of 1960 that the Six were not prepared to negotiate on the basis which we had formerly envisaged and that there was no hope of reviving the free trade area proposals.

6. In August, 1960, the Prime Minister and Dr. Adenauer, meeting in Bonn, decided to put in hand at official level, and on a bilateral basis, an informal examination of the problems in the way of agreement. These talks led to similar exchanges with the Italians and French. Two conclusions have emerged from these talks:

(a) no half-way house is possible. The Six are not prepared to allow us to participate in certain aspects of the work of the Community without accepting broadly the obligations of membership. This was not the view of the French alone: it was shared by all the Six and expressed firmly by the German Government.

(b) at the same time, the Six recognise the political and economic value of the Commonwealth association and the importance of maintaining it.

This has certainly been one of the achievements of the prolonged talks which we have held during the last eleven months. Consequently, we believe it safe to conclude that some arrangements to protect essential Commonwealth interests will be negotiable.

7. What has *not* become clear from these informal talks is the nature of any specific arrangements that might be made to protect Commonwealth interests if we were to become a member of the Community. This is no doubt partly because the Governments with which we have had discussions would not wish to display their hands in advance of possible negotiations in which numerous factors would have to be balanced; but it is also because individual Governments of the Six could hardly commit their partners in matters which would be for negotiation and decision by the Six as a group. While therefore we believe that the need for special arrangements to protect Commonwealth interests is accepted in principle by the Six Governments, we do not think it possible to assess the nature and scope of such arrangements in advance of formal negotiations with the Community.

The Problem before us

8. In the last few weeks we have been giving careful consideration to the situation in the light of the various discussions referred to above. We have also of course had very much in mind the indications of the views of other Commonwealth countries, that they have given to us both bilaterally and in the course of various Commonwealth meetings. In these discussions other Commonwealth Governments have naturally made it plain that their judgment is reserved until they can know what arrangements will be made in regard to their essential interests in the event of our joining the E.E.C. At the meeting of senior Commonwealth officials in May of this year, the United Kingdom spokesman indicated that we were trying to make an assessment of what terms and special arrangements we might reasonably expect to obtain in order to cover the interests of the other Commonwealth countries (and also of our own agriculture and our E.F.T.A. partners) if we were to decide to negotiate with the Six. However, it now appears – for the reasons indicated in paragraph 7 above – that no worthwhile assessment of this kind can be made at this stage, and that this would only be possible through actual negotiations. The immediate question we therefore have to deal with is not whether we should join the E.E.C.: this question would arise only when we knew what terms and conditions could be negotiated. The question now is whether or not to enter into negotiations with a view to finding out what these terms and conditions would be.

9. As indicated above, we believe that negotiations would be possible only on the basis that we should be prepared to accept broadly the obligations of membership of the Community. We believe, however, that it should be possible to reconcile this with obtaining special arrangements to protect the essential interests of the Commonwealth, as well as those of our own farmers. If the Six were prepared to negotiate on this basis it might lead to an acceptable agreement. We must of course contemplate the possibility that the negotiations might fail. A breakdown would certainly be a serious matter; but the risk of a failure of negotiations in circumstances in which world opinion would see that we had made a genuine effort to reach agreement, and that the Community were demanding unreasonable terms, has to be compared with the alternative course of deciding to make no attempt at negotiation and to allow Europe to become more and more deeply divided.

10. If we were to enter into negotiations, we should not attempt to set out in advance a list of minimum requirements in respect of Commonwealth interests or of our own agriculture. It would be unwise to show our hand in this way at the outset of a negotiation; and in any case the existing position in the E.E.C. is still undetermined in various matters of importance to the Commonwealth interest – e.g. its common agricultural policy has yet to be defined. It would however be necessary for us to know clearly what are the interests to which other members of the Commonwealth attach special importance and to consider the various ways in which they might be dealt with.

11. Against this background, the matters which Mr. Sandys will wish to discuss with Canadian Ministers are:

(a) the political and economic implications of our joining the E.E.C., as compared with the political and economic consequences of our staying out;

(b) the Canadian Government's views on the economic implications for Canada of this possibility, the economic interests for which they consider it essential that we should seek some special arrangements in the event of our deciding to negotiate with the E.E.C. and the possible forms that such special arrangements might take; and

(c) in that event how best to organise a system of close and continuous Commonwealth consultation to cover the period of preparations for negotiations, the negotiations themselves, and the eventual decision, in the light of the results of the negotiations, whether or not to join the E.E.C.

505.

J.G.D./MG01/XII/D/37.1

*Note du secrétaire du Cabinet
pour le premier ministre*
*Memorandum from Secretary to Cabinet
to Prime Minister*

SECRET

[Ottawa], July 4, 1961

SANDYS' VISIT NEXT WEEK

I thought I should record for you a number of points in connection with the planning for Sandys' visit and make several suggestions in connection with it. I have seen the various suggestions from External Affairs on the matter and make the following comments with that in mind:

(1) The Cabinet Committee has not had a chance to meet as yet because the Ministers are too busy with other things. It does not look as though they will be able to meet before Thursday, depending on the business in the House.

(2) We have not yet received the U.K. paper which you requested. It has arrived in Earncliffe but so far Garner has not been authorized to give it to us.

(3) I think it is desirable that you should see Sandys first but only briefly and then that you should see him at the end. I would suggest you have him call on you late-ish on the Wednesday afternoon on which he arrives. I suggest below what you might say to him at that stage.

(4) I think the major discussions should take place with the four Ministers concerned on the Thursday and Friday. At this stage I think all that needs to be said to Garner is that we would plan to have discussions between Mr. Sandys and the four Canadian Ministers on Thursday and Friday.

(5) I would suggest that at the first discussions with the Ministers some officials should be present in order that they can hear the U.K. presentation and get to work on analyzing it and preparing answers. There will be ample opportunity for meetings of Ministers only with Sandys during the two days and evenings if necessary.

(6) I think Mr. Green should give a dinner for Mr. Sandys and his party on Thursday evening after the first day's discussion on behalf of the Government. I would suggest that this should be the only large party. I understand Garner would prefer to give a small dinner for Ministers only. I would suggest that you should invite Sandys up to lunch at Harrington Lake on the Saturday, with an understanding that the two of you will have a private conversation over lunch and have an hour before or after lunch. This will enable you to get a report on Saturday morning from your colleagues by telephone or on paper as to the results of their discussion before you see Sandys personally.

(7) On the substance of the issues, the officials have already given you and the other Ministers a long memorandum† and I won't try to recapitulate any of it here. I think you should make clear at the very beginning, however, the essential nature of the difficulties we see as well as the extent of the Government's apprehension. I think you should do so without making any statement either to Sandys or in public that could be used to blame Canada for upsetting a move that is now the evident desire of the U.K. Parliament and public, as well as the U.K. Government, whatever they may say about not having reached a decision as yet. I would think the following points would be those to make at your initial meeting:

(a) The decision to join the Six is a really major one which the U.K. Government must ultimately make itself but we hope it will only be made after full consultation with the Commonwealth.

(b) It is very hard to judge the general international effects of this move and we are not convinced it will increase the United Kingdom's influence in the world. We do not believe that any general international considerations can be taken to justify the potential harm that this move may do to the Commonwealth as an association and to the trade interests of the members of the Commonwealth in the U.K. market.

(c) We think that quite substantial changes will be necessary in the trade arrangements between the United Kingdom and other members of the Commonwealth in order to adjust to the situation created by the United Kingdom's joining the Six. Some changes will probably also be necessary in the trade arrangements between the Six (plus the United Kingdom) and members of the Commonwealth in order to help in rectifying the balance. The other Canadian Ministers will put the Canadian position on this point at greater length. We do not see how these necessary re-arrangements can be made without substantial derogations from the provisions of the Rome Treaty if not from its principles.

(d) We do not believe that the United Kingdom is in a strong enough bargaining position vis-à-vis the Six to secure the derogations and concessions that will be necessary.

(e) If it is not possible to make the adjustments required to continue Commonwealth trade arrangements on a fair and balanced basis, then serious harm is likely to be done to the Commonwealth as an association at the very time that it appears likely to prove most valuable in helping to bridge the widening gap between the white peoples and coloured peoples.

R.B. B[RYCE]

506.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

London, July 7, 1961

I thought you would be interested in the report in today's *Daily Express* of a speech by de Gaulle at Metz last weekend.²⁵ This comes on top of a speech by Debré two weeks ago today in which he said that there was no question of France accepting less than the provisions of the Treaty of Rome so far as agriculture is concerned. He went on to say that they had understood there would be provisions which would give France special opportunities for the export of surplus agricultural products.²⁶

If these speeches are to be taken at face value, and having regard to the disturbed agricultural position in France, that seems to be the correct interpretation, then it is simply impossible for Britain to join the Common Market on any basis which would recognize the

²⁵ Voir/See André Passeron, « La Dernière Journée du Voyage Présidentiel en Lorraine, » *Le Monde*, 4 juillet 1961, p. 6.

²⁶ Voir/See « L'Allocution Radiotélévisé de M. Debré : Sans Marché Commun Agricole il n'y aura ni Marché Commun ni Europe, » *Le Monde*, 25-26 juin 1961, p. 4.

traditional position of Canada, Australia and New Zealand in the export of various types of food products.

I mention this with Duncan Sandys' visit to Ottawa next week in mind. Already the usual inspired reports are creating the impression that he has soothed the concern of New Zealand, and goes on to Australia with New Zealand comparatively well-satisfied with the prospect of Britain joining the Common Market.

While it is true that after you spoke so firmly to Sandys at lunch at his house last March, he did live up to his undertaking to you to try to bring about an agreed declaration along the lines you desired, it should not be forgotten that it was his office which created the impression in advance that it was only Canada which was insisting upon raising the question of apartheid. I remember reading the headlines right across the top of the *Daily Mail* in a copy of this newspaper which was being held up in front of him by a man several seats ahead of me in the plane on which I was travelling back to London from Liverpool. I recall that in big black type the words were, "Dief Shock for Conference." When I got a copy of the paper after landing, I found that there was a detailed report of Sandys' visit to various places in the East. According to this story, none of the others were concerned about raising the subject of apartheid, but it had been learned that Canada was going to force the issue. I took steps to find out the source of this story, and found that it came direct from Sandys' office. I mention this because I see some tendency already to picture Canada as the one stumbling block in the way of Britain's entry into the Common Market.

More and more it becomes apparent that the considerations are more political than economic. That being so, I would hope that Sandys will be well cross-examined on that point and an effort made by Donald Fleming or George Hees to tie him down to a clear statement as to how far British sovereignty will be diminished if they become members of the Common Market. Already more than one of the Ministers have made speeches which referred specifically to "the sharing of sovereignty." I fail to see how the Commonwealth as we know it could survive under those circumstances. If we were to be automatically involved in the consequences of action taken by a European Council of Ministers, then I should think the Statute of Westminster would become a scrap of paper.

In any event, if it should be decided after a meeting of Ministers that negotiations are to be undertaken, then I should think there is much in the suggestion made by Holyoake that the representatives of the interested countries of the Commonwealth should be parties to those negotiations. After all, if arrangements are to be made which purport to protect the interests of the Commonwealth, then I do not think our constitutional relationship would justify a course which, in effect, made Britain the broker for the whole Commonwealth.

A point which Duncan Sandys mentioned briefly before his departure, and which Reggie Maudling mentioned again yesterday, is that the British now are convinced that it is going to take some time even to reach a point when there can be effective consultation as to whether negotiations should be entered into or not. There seems to be agreement that the meeting of Finance Ministers would be an appropriate forum, but they are concerned about the meeting at Accra dealing with this subject. They base this on the fact that detailed records are not readily available and that the communication system with Accra is not too good. There may well be something in this point, and I should think that when Sandys is in Ottawa he will raise the possibility of moving the meeting of Ministers of those countries wishing to take part in such a round-table conference from Accra to London. Certainly, the records would be much more readily available here and, with the direct telegraph and telephone communication with Ottawa, any information could be obtained very quickly.

Merely to indicate that this subject is already entering the emotional field, I am also enclosing a circular received today from the British Israel World Federation. I am not

suggesting that this necessarily carried any special weight, but a glance at this circular will indicate the dangerous emotional possibilities of this subject.

Warmest personal regards.

[GEORGE DREW]

507.

D.M.F./Vol. 137

Note

Memorandum

CONFIDENTIAL

Ottawa, July 10, 1961

THE STRENGTH OF THE UNITED KINGDOM NEGOTIATING POSITION

In judging whether or not the United Kingdom will be able to join the Common Market and on what terms, the following factors are relevant.

Despite some opposition within both the Conservative and Labour Parties, the idea of union with Europe has widely based support in the United Kingdom. The Macmillan Government would regard inability to find a solution as a considerable domestic setback. The precariousness of the payments position and fears about the stagnation of the economy lend an almost desperate sense of urgency in the minds of those who support union with Europe. Moreover, the United Kingdom Government appear to have taken the view that they must join Europe if they are to maintain their international political position in the world. In these circumstances, despite their avowal to protect EFTA and Commonwealth interests, the United Kingdom Government may be prepared to accept a very stiff price for the returns they expect from joining Europe.

In Europe opposition is largely centred in France. But even those who support the United Kingdom entry most vigorously – the Dutch and the Germans – insist that it must be worked out in a way that will not weaken the Rome Treaty. The Germans are prepared by and large to let the French set the terms. The Berlin crisis may even strengthen the Paris-Bonn link. There are also signs that the United Kingdom's more difficult EFTA partners may be able to find a presentational solution that would permit them to acquiesce to a settlement largely on the terms of the Six.

It is questionable, however, whether the French (and in particular de Gaulle) wish the British as members, even on the most demanding terms. Certainly their scepticism will make them intractable negotiators. We have already been told by the French that they expect the United Kingdom to accept the present common external tariff, that it should be extended against all third countries (including the Commonwealth), and that the United Kingdom must accept and implement the common agricultural policy. Some French spokesmen have also suggested that the United Kingdom should even "sign now and argue later."

The United States position gives little comfort to the British in seeking a solution acceptable to the Commonwealth. The United States are largely concerned with the security and military implications of a unified Western Europe. They would not welcome any United Kingdom proposals that detract from this basic concept. The United States may not wholly appreciate the political issues at stake in the Commonwealth; they have always been critical of the preferences which historically were developed in reply to United States protectionism. The United States stands to benefit from any loss to the United Kingdom of its preferences in other Commonwealth countries.

On balance, the United Kingdom's bargaining position does not appear strong – particularly in terms of finding solutions acceptable to Canada.

It is possible that the United Kingdom will be able to seek arrangements that will reasonably accommodate the under-developed countries of the Commonwealth, but even this is uncertain at this stage.

Opposition in the United Kingdom to the idea of joining Europe might stiffen if it appears that the French are demanding impossible concessions. The United States position could also become less sympathetic, if it appeared that United States commercial or agricultural interests would suffer, or that the net political result might be the creation of a "Third Force" in Europe.

The United Kingdom now consider this to be the time when there is optimum support at home and in Europe for the move. The next few months could change their assessment of this support and they might change their minds about the wisdom or feasibility of joining the EEC. It could develop that the United Kingdom may find itself paying too stiff a price both in terms of French demands and the possible adjustments in other Commonwealth markets. In such circumstances, it seems important to preserve close consultation and cooperation between the United Kingdom and its closest Commonwealth partners if other alternative courses have to be explored later. This might be particularly true if United States commercial policy shows signs of embarking on a new course towards reviving global freer trading policies.

508.

D.M.F./Vol. 137

Note du ministère des Finances
Memorandum by Department of Finance

CONFIDENTIAL

[Ottawa] July 10, 1961

ECONOMIC IMPLICATIONS FOR THE UNITED KINGDOM
OF JOINING THE EUROPEAN ECONOMIC COMMUNITY

Under point (a) of the Agenda proposed by the United Kingdom there will be discussion about the political and economic implications of the United Kingdom joining or staying out of the European Economic Community. Mr. Sandys will no doubt seek to persuade Canadian Ministers that, on balance, it will be advantageous for the United Kingdom to join both on political and economic grounds. From this he may be expected to argue that it is also in the best interests of the Commonwealth to have the United Kingdom join the E.E.C.

We believe that there are serious reasons for questioning these judgments. A separate paper has been prepared on the political aspects. This memorandum deals with the economic aspects and covers some of the main reasons why we doubt that the United Kingdom will derive the economic benefits that they expect to secure by joining the E.E.C.

Impact on United Kingdom Exports

The United Kingdom contend that joining the E.E.C. will bring about a substantial expansion in their exports to this large and growing market. No doubt the elimination of E.E.C. tariff barriers against United Kingdom goods will result in some expansion of sales. How large is this likely to be? And are there likely to be offsetting declines in other directions? The Common Market countries, at present, take no more than 14 per cent of total United Kingdom exports. Assuming that the improved terms of access to these countries result in an expansion of as much as 10 to 20 per cent, this would only represent something between 1½ to 3 per cent of United Kingdom exports to the world as a whole, that is, £50 million to £100 million.

To regard this gain as a *net* gain would ignore the inevitable adverse consequences which United Kingdom entry into the E.E.C. will have on her terms of access to other important markets. At the present time, the Commonwealth takes almost 40 per cent of total United Kingdom exports, much of this on the basis of substantial preferences in favour of the United

Kingdom. Impairment of preferences enjoyed by Commonwealth countries in the United Kingdom market cannot fail to have its counterpart in the reduction of preferences which the United Kingdom enjoys in Commonwealth markets. No one can say in advance how significant this negative impact is likely to be. However, it is worth noting that a decline of, say, 10 to 20 per cent in United Kingdom exports to the Commonwealth which could easily flow from such changes in preferential arrangements would amount to a loss of £135 million to £270 million in United Kingdom exports or nearly 3 times the assumed gain in United Kingdom sales to Europe.

What about other markets? The United States takes about 10 per cent of United Kingdom exports. However neutral the United States attitude may be at present, is it safe to assume that new discrimination against the United States will not result in new protectionist moves in that country with a consequent impairment of United Kingdom exports (as well as exports of other countries, including Canada)?

The United Kingdom may contend that joining the Common Market will improve their industrial efficiency and in this way enhance their export potential to third markets. This is a separate point which will be dealt with later in this paper.

Agricultural Trade

The United Kingdom state in their memorandum that the agricultural policy of the E.E.C. has yet to be defined. While this is formally true the simple fact is that all of us, including the United Kingdom, now know enough about the intentions of the E.E.C. in the field of agriculture to know that the common agricultural policy will be much more restrictive against the outside world than is present United Kingdom agricultural policy.

Even since the repeal of the Corn Laws more than 100 years ago, the United Kingdom, as a matter of national policy, have obtained their basic foodstuffs from the cheapest sources of supply with little or no tariff in order to keep down costs of production in industry. The United Kingdom's system of support for agriculture is based on income support payments leaving internal prices to be determined essentially by the most competitive world suppliers.

France has made it crystal clear that one of the minimum conditions of United Kingdom entry into the Common Market will be its adoption of the European common agricultural policy. This would mean that the United Kingdom would be obliged to adopt the European policy of price supports as well as the European policy of high protectionist barriers on virtually all agricultural imports. Under such a system the United Kingdom would pay high European prices for their massive agricultural imports, prices which will be at least equal to those of France and possibly even higher (somewhere between French prices and the much higher German prices). To the extent that the United Kingdom are compelled to divert their agricultural purchases to European sources of supply, there will be a large direct loss to the United Kingdom economy because the United Kingdom would, in effect, be subsidizing high-cost European agricultural industry. Even that portion of the United Kingdom requirements which will continue to come from traditional and more efficient suppliers will cost the United Kingdom more because the variable tariff levy they will be required to collect at the border is intended to be used for the purpose of subsidizing the export of European agricultural surpluses (i.e., French, Dutch and Italian surplus production).

We have not made an independent estimate of the economic and financial burden which will be imposed on the United Kingdom economy if the United Kingdom should adopt the common agricultural policy as it is shaping up, but we have seen estimates prepared by French officials which run as high as \$1 billion to \$1¼ billion a year.

Trade in Industrial Raw Materials

Ever since the industrial revolution the United Kingdom have imported their raw material requirements from the cheapest sources of supply, duty-free or under very low tariffs. If the United Kingdom were now to adopt the common external tariff of the E.E.C. they would have to impose tariffs against third countries on such products as aluminum, woodpulp, newsprint, lead and zinc. This will result in more diversion of trade in these commodities to higher-cost suppliers located in the Common Market. As in the case of trade in agriculture, discussed earlier, this will impose a real additional economic cost on the United Kingdom economy.

Gains from Trade

Popular discussion of the gains to be obtained from international trade often proceeds on the assumption that a dollar's worth of trade in one direction provides the same benefit as a dollar's worth of trade in any other direction. This, of course, is not true. Much depends on the nature of the goods which are traded and the degree to which it would cost more in real terms to produce that particular good at home as compared with obtaining that good from abroad. For example, when the United Kingdom trades an Austin motor car in exchange for a ton of aluminum there is a larger economic gain for the United Kingdom than if that Austin motor car were traded for a German Volkswagen or a French Peugeot. This is because the additional cost to the United Kingdom of producing a car equivalent to a Volkswagen at home as compared with importing it is not really very great. Another way of stating the same proposition but in more general terms is to say that trade between countries producing complementary goods is almost certain to produce greater economic benefits for both countries than trade between countries producing directly competitive goods. One of the effects of United Kingdom entry into the Common Market will be to divert trade from its present trading partners to the European Economic Community, which would mean a smaller proportion of trade with countries like Canada and Australia which produce complementary goods, and a higher proportion of trade with countries like Germany and France which produce directly competitive goods.

Investment

One of the more persuasive arguments motivating the United Kingdom to join E.E.C. is based on the fear that otherwise new investments, both of United Kingdom capital and capital from abroad, will be attracted into the Common Market countries rather than into the United Kingdom. We have not seen any convincing evidence that this is in fact happening on any significant scale or that where British or other capital has moved into Europe these decisions related to the formation of the Common Market. It is well-known that large investments have been attracted to the United Kingdom over the past thirty years because of the Commonwealth preferential system. To the extent that the Commonwealth trading system is impaired or abandoned as a result of the United Kingdom move into Europe, less capital of that kind will be attracted to the United Kingdom; indeed, there may be some exodus.

The assumption that the United Kingdom as a member of the E.E.C. will maintain or increase its share of available investment capital cannot be taken for granted. Within the E.E.C., the United Kingdom will face increased competition in those lines of production in which the United Kingdom now engages, such as engineering, shipbuilding, motor cars, and many lines of consumer goods, from countries with significantly lower wages and weaker trade unions. In these circumstances, and having lost the Commonwealth advantage, it is not at all evident that more investment capital will, on balance, flow into the United Kingdom.

Balance of Payments

The United Kingdom are once again facing serious balance of payments difficulties. They may think that membership in the E.E.C. will somehow help to overcome these difficulties.

We do not see how membership in the E.E.C. of itself can do anything to help solve the immediate problems. Indeed, if the consequences to their overall trade, costs of obtaining their basic foodstuffs and their raw materials, and on their ability to attract capital are anything like those referred to above, their external financial problems would be exacerbated, not eased. The underlying difficulties in the United Kingdom today relate to excessive home demand, high labour costs, industrial rigidities and perhaps higher social service costs than the economy can afford. As a consequence, imports are excessive and exports are inadequate. These are fundamental difficulties and will require fundamental solutions. We fail to see how removal of United Kingdom tariffs between the United Kingdom and the Six could, in these circumstances, help the United Kingdom achieve a better trading balance. Indeed, if our analysis is correct, it could make for a larger adverse balance.

Industrial Efficiency and the United Kingdom's Competition Position

It has been argued that the United Kingdom needs to be part of a larger market to obtain the economic benefits that flow from large-scale production and increased specialization. This is a highly doubtful proposition. The United Kingdom already has a large home market and large export markets which support large-scale production and a very high degree of industrial specialization. For most industries it can be demonstrated that the United Kingdom markets at home and abroad are already as large as, or larger than is needed for optimum-scale production in individual production units. Accordingly, it cannot be contended that this is a sound reason compelling Britain to join the Common Market.

A more convincing argument would be that the lowering of trade barriers and other restrictions in the United Kingdom would, by introducing more competition, force British industry to watch their wage costs, abandon the restrictive practices of labour and management and in general increase their business efficiency. But is it essential to join the Common Market in order to achieve this measure of self-discipline? Clearly, if there is merit in this approach it can and should be undertaken by the United Kingdom on their own and for themselves. It can be demonstrated that joining the Common Market may inhibit rather than help this movement, since the Common Market external tariff for many goods that figure prominently in United Kingdom trade will be higher, not lower, than the effective tariff rates imposed by the United Kingdom at the present time.

Economic Growth

An important element in the argument of those who favour United Kingdom membership in the E.E.C. is that the Common Market is a dynamic, rapidly growing region and that association with this region would stimulate similar rates of growth in the United Kingdom. The transmission of economic expansion from one region to another occurs essentially through the mechanism of trade and investment. In earlier sections of this memorandum doubts were expressed about the likelihood that United Kingdom trade and investment taken as a whole would expand by virtue of the changes in its position that would flow from joining the E.E.C.

In recent years, rates of growth in most countries of the Six have been more rapid than in the United Kingdom, the United States or Canada. The reasons for this are complex but there is little evidence that the decision to form a customs union was an important casual factor. Given the extensive postwar reconstruction programme in Europe together with the extensive financial help received from North America, much of this growth was to be expected in any case. Indeed, the rapid expansion in this region which has been taking place in recent years may be merely the counterpart of very slow growth in earlier years. At different times since the war the United States, Canada, Australia, have experienced more rapid growth than Europe, and there is no reason to assume that variations in the rate of growth between different countries and regions will not favour regions other than Europe in future years. Japan, for

example, is today growing more rapidly than any other country in the world, despite the fact that Japan belongs to no customs union, and indeed faces discriminatory trade barriers in many parts of the world. The simple truth of the matter is that the factors that govern rates of growth are complex and not too well understood. Much more work will have to be done before economists are confident that they understand the processes and causes of economic growth. We can be sure, however, that it is an over-simplification to argue that growth automatically flows from participation in larger economic units.

Tactical and Bargaining Considerations

The analysis in this memorandum is based on the assumption that if the United Kingdom join the E.E.C. they will have to accept the major provisions of the Rome Treaty as they now stand. The United Kingdom may argue that this analysis is extreme because the United Kingdom have the intention of seeking important exceptions to the present terms. Presumably, it would be the United Kingdom's hope that such exceptions would be designed to avoid the adverse economic effects referred to in this paper. However, the United Kingdom admit frankly in their memorandum that there is no "halfway house" and that they cannot say with any assurance that such arrangements can be made to protect Commonwealth interests or to defend their own domestic interests. Their memorandum states – but without supporting evidence – that "it is safe to conclude that some arrangements to protect essential Commonwealth interests will be negotiable." Such advice as we have had, particularly from France, warrants no such conclusion. The United Kingdom, once they decide to negotiate again, can hardly risk a second failure. This in itself puts the United Kingdom in a very weak bargaining position. Moreover, as an applicant country, not equally welcome by all members of the Six, in a weak external financial position, in debt to the European central banks, it seems highly unlikely that the United Kingdom would be able to extract the kind of concessions that would be necessary.

It is not to be expected that the points made in this paper will convince the United Kingdom that it is not in their economic interest to join the E.E.C. They have done their own analysis and it is to be assumed that they have come up with other conclusions. We believe that their conclusions may well be wrong and it can do no harm to raise doubts in their mind. This may strengthen their resistance should they decide to enter into negotiations with the Six. Moreover, if we were to fail to make these points at this juncture, it would suggest that we accept the United Kingdom argument that it is in their own best interests to join the Common Market. Once such a case was accepted, the only argument we would be left with is that it is not in the Canadian interest that the United Kingdom should join the E.E.C.; and this is obviously not the kind of argument that would be persuasive for the United Kingdom.

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D.M.F./Vol. 137

Note du ministère des Finances
Memorandum by Department of Finance

CONFIDENTIAL

[Ottawa, July 1961]

POSSIBLE UNITED KINGDOM ASSOCIATION
WITH THE EEC – POLITICAL IMPLICATIONS

The United Kingdom Memorandum to Prime Minister Diefenbaker emphasizes the international political aspects of their relationship with the Six. While it is almost impossible to distinguish clearly between the economic and political considerations at stake for the United

Kingdom, Mr. Sandys, during his visit, can be expected to play up the political considerations which, in the view of the United Kingdom Government, impel them to join the Six.

2. The international advantages of United Kingdom membership in the EEC are by no means obvious. It would, therefore, appear desirable to raise questions about the political arguments Mr. Sandys may put forward. This is the course proposed in the draft Memorandum to Cabinet of June 28, 1961,[†] and we have accordingly prepared the following questions which might be raised with Mr. Sandys. It might be stressed that while these questions relate to actual membership, most of them also apply to a decision to open negotiations, especially since a decision to start negotiations implies a likelihood of membership.

3. The main purpose of such questions is to encourage U.K. Ministers to take another hard look at the international considerations involved. It would, therefore, be most desirable that Mr. Sandys should not get the impression that these questions represent mere debating points or that they reflect only narrow Canadian interests. If the questions are to carry conviction and to raise real doubts in the minds of U.K. Ministers about the course which they are contemplating, it would be well to emphasize that they are based on genuine worries and that they are motivated by the regard which Canada has for the role of the United Kingdom in world affairs. If Canada did not attach importance to the international position of the United Kingdom, the easy thing would be simply to accept the U.K.'s first assessment and not bother about the consequences. It is just because Canadians value the part which the United Kingdom is playing that they are deeply troubled about the effects which a mistaken move by the United Kingdom could have. As illustrations of the kinds of good influences which the U.K. has exercised on world events in recent years, and which are highly valued in Canada, some reference might be made to (a) the example which the U.K. has set in bringing so many countries in Asia, Africa (and the Caribbean) to orderly independence; (b) the useful relations which the U.K. has been able to continue maintaining with these newly independent countries; (c) the special regard in which the U.K. is held throughout the world (both in the West and in the East) as a result of "political genius" displayed in these developments; and (d) the moderating influence which the U.K. has been able to exert on East-West tensions generally by its interventions in Washington, Moscow, and Bonn on major issues.

The Future of Europe

4. It might be pointed out that it is not inconsistent to see merit in the present European Economic Community and yet to question the desirability of enlarging it by bringing in the U.K. (and perhaps some of the Scandinavians). A European unit of a certain size may be a good thing. A bigger European unit may be politically bad, for its members and for the rest of the world. The smaller unit may well be big enough to support the long-desired reconciliation between France and Germany while leaving independent and substantial countries outside as a check on some of the possible tendencies of the unit and as a mooring to which some of the countries inside can retain their attachment and thus be better able to preserve their national identities and their independent viewpoints. A bigger unit, embracing the U.K. and virtually all of Western Europe, would tend to submerge the identities of the individual members and would almost inevitably come to be viewed with the deepest suspicion by the Soviet Union or, perhaps, even by the United States. The risks of dangerous tensions might very well be heightened rather than diminished.

(a) Are the U.K. sure that their adherence to the Community would strengthen it and improve the position of individual members? For example, even though the Dutch and Italians appear to desire U.K. accession, would such countries in fact be as independent with the U.K. inside (and subject to the disciplines of the Community) as they are with the U.K. as a nearby and respected friend outside? Would not a larger Community tend to be more monolithic or "one-minded" than even the present Community is likely to become?

(b) Would such an enlarged Community become a neutral “third force” or would it remain permanently allied to the United States? If it is likely to become neutral – sometimes going one way and sometimes the other – where would that leave the United States and the rest of us? If it is certain to remain an ally of the United States, can the Soviets tolerate it? Would not the prospect of such a development tend at least to sharpen differences with the Soviets and lead them to force some of the major issues earlier and more violently than they would otherwise have done?

(c) Can the U.K. be certain which way such an enlarged Community would go? What reasons do the U.K. have for thinking that they can determine its course? Is their judgment about their future influence in such a Community dependent in part on the keeping of special links with Commonwealth countries and with the United States? What are the chances of their being able to keep such special links? How much influence would the U.K. have in the Community if those special links were broken?

(d) Is there not a danger that the United Kingdom would find themselves cut off from their traditional Anglo-American alliance and at the same time be unable to exercise a decisive influence on European policy decisions? If the United Kingdom becomes submerged in Europe and lose their identity, will they have more or less influence on European affairs than they have now? If the members of the European Community do not become wholly submerged but retain their separate identities, what assurance is there that the United Kingdom will be more dominant in European matters than Germany or France, or have more influence than those countries on United States policies?

The Effects on NATO

5.(a) The U.K. Memorandum to the Prime Minister describes (page 2) “the increasingly wide economic and political division in Western Europe” as “liable to create weakness in the Western Alliance.” Would not this reasoning lead one to conclude much more strongly that the “increasingly wide economic and political division” of the North Atlantic area involved in U.K. accession to the EEC would almost certainly “create weakness in the Atlantic Alliance?”

(b) To what extent do the United Kingdom feel that their membership in the EEC club would oblige them to support de Gaulle in NATO? Could failure to do so lead to a serious division within the EEC?

(c) Is there a danger that European consultation could weaken or supplant NATO consultation?

(d) Are they prepared to join de Gaulle in a combined military nuclear programme?

(e) What, if any, effect will there be on defence production sharing with Europe?

The Future of the Commonwealth

6.(a) Do not the United Kingdom think that the Commonwealth would be seriously weakened by the economic consequences of the United Kingdom’s association with Europe and perhaps by the political implications that might be read into such an association (e.g. on the colonial issue)?

(b) Do not the United Kingdom fear that a weakening of the Commonwealth would drive some of the under-developed members closer to the Soviet Union? For example, in view of President Nkrumah’s reported statement that his country would have to leave the Sterling Area if the United Kingdom joined the Common Market without succeeding first in eliminating all discriminatory features from present trading arrangements between European and African countries, and that the effects on the Commonwealth would be disruptive, do the United Kingdom fear that the stabilizing influence of the Commonwealth, particularly in Africa, could be compromised?

(c) To what extent do they think that the EEC (with United Kingdom membership) would really be prepared to take on genuine world-wide responsibilities towards the under-developed countries? Commonwealth countries, like India and Hong Kong, would expect the United Kingdom to press the Six to take more low cost imports. Would the United Kingdom suffer loss of prestige with the under-developed countries if they appear to accept the recent restrictive trade practices of the Six vis-à-vis the under-developed countries?

The Future of Cooperation with the United States and Canada

7.(a) Do the United Kingdom think it would be possible to preserve the special type of consultation and cooperation which has been traditional between the United Kingdom and Canada?

(b) Have the United Kingdom measured, both in political and in economic terms, the possibility that a United Kingdom move into Europe might oblige Canada to pursue a hemispheric policy and much closer relations with the United States?

(c) While the United States administration to date have given full support to the political objectives of the EEC, is there any assurance that this support would be maintained for a broader European arrangement once its impact began to be felt and the various domestic pressures and interests became active? Would it not be disastrous if the enlargement of the European Community led to a revival of protectionism and, perhaps, isolationism in the United States with all the divisive effects that this would have on the free world? Insofar as the U.S. may be inclined to support U.K. accession to the EEC, may they be motivated in some degree by their old desire to see a scrapping of the British preferential system?

Major Foreign Policy Issues

8.(a) On major East-West questions generally, do the U.K. really think that, as an integral part of the European Economic Community (with its own political and economic "dynamic" as the U.K. memorandum notes), they can retain their capacity for independent initiatives in Moscow, Washington, and perhaps, Peking?

(b) If, after United Kingdom association with the European Community, another Congo or Laos situation arises, will the United Kingdom then have more influence than it has had on such issues recently when it has been able to work closely with Commonwealth countries, particularly India?

(c) In view of the imminence of a crisis in Berlin, do not the United Kingdom consider they will have more influence in the right direction now than they would have if they were pledged to an association with the Six?

(d) While the present members of the Common Market have temporarily been able to preserve their separate identities and independent positions on most issues in the United Nations, will that continue to be the case a few years from now when those countries are more fully integrated and if the United Kingdom has joined them? When the integration of the Community is further advanced and if the United Kingdom has joined in, will independent positions on major issues be possible? Even if independence is retained, will other members of the United Nations be prepared to regard the Community members as truly independent? Will not United Kingdom influence in the United Nations be substantially diminished?

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*Compte-rendu d'une réunion entre les ministres du Canada
et le secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni*

*Record of Meeting between Canadian Ministers
and Secretary of State for Commonwealth Relations of United Kingdom*

SECRET

[Ottawa], July 13, 1961

Present

Canada:

The Honourable Donald Fleming, Minister of Finance (in the Chair)
The Honourable Howard Green, Secretary of State for External Affairs
The Honourable George Hees, Minister of Trade and Commerce
The Honourable Alvin Hamilton, Minister of Agriculture
Mr. N.A. Robertson, Under-Secretary of State for External Affairs
Mr. R.B. Bryce, Secretary to the Cabinet
Mr. K.W. Taylor, Deputy Minister of Finance
Mr. S.C. Barry, Deputy Minister of Agriculture
Mr. A.F.W. Plumptre, Assistant Deputy Minister of Finance
Mr. A.E. Ritchie, Assistant Under-Secretary of State for External Affairs
Mr. J.H. Warren, Assistant Deputy Minister of Trade and Commerce
Mr. S.S. Reisman, Assistant Deputy Minister of Finance
Mr. L. Rasminsky, Deputy Governor of the Bank of Canada
and other officials.

United Kingdom:

The Right Honourable Duncan Sandys, Secretary of State for Commonwealth Relations
Sir Saville Garner, High Commissioner for the United Kingdom
Sir Henry Lintott, Deputy Under-Secretary of State, Commonwealth Relations Office
Mr. E. Roll, Deputy Secretary, Ministry of Agriculture
Mr. W. Hughes, Under-Secretary, Board of Trade
Mr. R.W.D. Fowler, Deputy High Commissioner for the United Kingdom
Mr. K. McGregor, Economic Adviser to the Office of the High Commissioner for the United Kingdom
and other officials.

Thursday, July 13, 1961 – 10.00 a.m.

Mr. Fleming welcomed Mr. Sandys and expressed the Canadian Government's appreciation for this opportunity to explore informally these matters which were of vast importance and concern for the United Kingdom, Canada and the rest of the Commonwealth.

2. *Mr. Sandys* stressed that these talks were informal, in keeping with the atmosphere of the Commonwealth. He emphasized that no decision had been taken by the British Government to join the EEC and this was reflected in recent meetings of the United Kingdom Cabinet. His Government appreciated that any decision which might be reached would have profound effects on other members of the Commonwealth, particularly Canada, Australia and New Zealand who had the deepest economic interest and with whom the political links were the closest.

3. The paper which had been sent to Mr. Diefenbaker recently explained that there were three key factors to be taken into account:

- (a) If Britain wanted closer association with the EEC it must be as a full member;
- (b) The Six have recognized the importance of the Commonwealth and have indicated their willingness to discuss special arrangements to safeguard vital Commonwealth interests;
- (c) Such arrangements cannot be determined in advance but only in the course of negotiations.

The question, therefore, before Whitehall was whether the United Kingdom should begin negotiations and not whether they should join. That full membership was a requisite for any association had been proven by the United Kingdom's earlier experience with the free trade area negotiations and with the attempts to create a bridge between EFTA and the EEC.

4. *Mr. Sandys* asked that Canadian Ministers should examine with him the advantages and disadvantages of a United Kingdom move in both political and economic terms and with respect to its effect both on the United Kingdom and on the future of the Commonwealth.

Political Aspects

5. *Mr. Sandys* emphasized that while the Treaty of Rome was basically an economic treaty it had a political background; political consultation amongst the members would undoubtedly be extended although there were no active plans for a political super-state in Europe, a concept to which de Gaulle was opposed. The EEC would exercise a growing influence on the rest of the world, both politically and economically. If the United Kingdom remained outside, their own influence, which for a variety of factors was greater than its actual size would dictate, would undoubtedly be reduced. There would be an increasing trend for the United States to pay less attention to the United Kingdom and the rest of the Commonwealth and turn more and more to the Six. It was impossible to speculate on what might be the posture of the Six if the United Kingdom stayed out, but there was a real danger that they could develop as a "third force" between communism and the free world which could lead to a weakening of the Western alliance or a revival of the "fortress America" concept.

6. *Mr. Sandys* stressed that while the United Kingdom Government and he personally were the strongest supporters of the Commonwealth, it must be recognized that the Commonwealth was not capable of exercising unity or political strength to compare with that of the Six, whether or not the United Kingdom joined.

7. *Mr. Sandys* said that the United Kingdom would be giving up an element of sovereignty with respect to certain matters covered by the Rome Treaty in the economic and social sphere, but he was hopeful that the United Kingdom would be able to have considerable influence on the conduct and degree of political coordination in the Community. During the transitional period the rule of unanimity provided an effective safety catch against any unpalatable decisions which might be triggered by the Six. The entry of the United Kingdom would also lead to adjustments in the balance of the present voting pattern and they were confident that even under a system of qualified majority they would be able to exercise a reasonably decisive influence in the outcome of policies in both the economic and political spheres.

8. *Mr. Sandys* said that if the United Kingdom stayed out, despite de Gaulle's opposition, eventually a European federal state would emerge. The United Kingdom was opposed to this objective and together with some of their EFTA partners who would also join they could exercise a restraining influence on any federalist tendency.

9. *Mr. Sandys* said that his Government was convinced that membership in the EEC would not be incompatible with membership in the Commonwealth. Other commitments which the United Kingdom (and Canada) had undertaken in NATO, for example, which restrict considerably the political independence of its members, have never been deemed inconsistent with Commonwealth obligations. Indeed, such associations were useful in broadening the sphere of Commonwealth influence, and South Africa was an example of the lonely and uninfluential position in which a country can find itself when it does not have another wide and reasonably diversified circle of friends. He was confident that United Kingdom foreign policy which had always been obliged to take Europe into account would not be altered, and that there was a good chance that they could influence the EEC away from inward-looking continental policies if they join. A closer relationship between the Commonwealth and Europe

would be a very good thing. *Mr. Sandys* summarized briefly the political considerations as follows:

(a) The EEC will become a powerful global economic and political influence whether the United Kingdom is in or out;

(b) If the United Kingdom stays out, her political and economic influence will be reduced with a consequent reduction in the strength of the Commonwealth;

(c) If the United Kingdom join and play a leading role its influence in and out of Europe will increase and make it a more valuable partner in the Commonwealth.

ECONOMIC ASPECTS

Effects on the United Kingdom

10. *Mr. Sandys* said that the United Kingdom was already facing very strong competition for its exports in Europe and in third countries, including the Commonwealth. When the genuine benefits of the large market accrued to the EEC the United Kingdom economic difficulties were certain to increase if it stayed outside. This would affect its ability to absorb imports from the Commonwealth and provide development and investment capital. Restrictions to protect balance of payments could not be ruled out.

11. *Mr. Sandys* said that the United Kingdom looked to an expansion of intra-Commonwealth trade but recognized its limitations and that Commonwealth free trade was not practical politics. It was a warning to the United Kingdom Government that its share in Commonwealth markets had declined while its share in European markets had increased.

12. *Mr. Sandys* said that there were great uncertainties if the United Kingdom joined the EEC and some British industries would go to the wall. The overriding consideration, however, was the virtual certainty that the United Kingdom would suffer a severe economic decline if it stayed out of Europe.

Effects on Commonwealth Trade

13. *Mr. Sandys* said that it would not be possible for the United Kingdom to maintain unrestricted free entry for all Commonwealth goods but this did not rule out finding other means of ensuring that the Commonwealth retained outlets in Europe and the United Kingdom on a scale comparable to the present. He did not believe that the Six would oppose special arrangements on simple doctrinaire grounds that they were not permitted in their own treaty; derogations would probably prove possible for a wide range of products. However, the United Kingdom would have a better chance of protecting Commonwealth trade if it said clearly at the outset that it accepted the basic principles of the Rome Treaty and did not propose to water them down. Briefly this meant acceptance of the common internal market, the common agricultural policy and the common external tariff. Within this framework special arrangements could probably be worked out to protect some but not all of the imports from the Commonwealth.

The Trade Effect for Canada

14. *Mr. Sandys* said that the terms of entry for Canadian foodstuffs which represent about 1/6 of the exports to the United Kingdom would be influenced by the common agricultural policy which had not yet been settled. He was hopeful though that Canadian hard wheat exports would not suffer. The future of barley and apples was less certain but this resulted not from factors connected with the Treaty of Rome but from over-production in Europe and the United Kingdom. For foodstuffs generally he thought duty-free quotas might be a solution.

15. *Mr. Sandys* said there were serious problems involved in the establishment of the common agricultural policy and in particular the reconciliation of the support system in the

United Kingdom and on the continent. He thought the proposals of the Commission were likely to be hotly contested. The United Kingdom could be counted on to come down in favour of maintaining reasonable access for the traditional agricultural exporters and against any system of self-sufficiency. The common agricultural policy was an important factor in the timing of any decision to negotiate with the Six. The United Kingdom had already let it be known that parallel to their general negotiations to join, the United Kingdom would wish to be associated with the common agricultural talks when they are resumed after the German elections in October.

16. *Mr. Sandys* said that there was a reasonable hope that exports of Canadian raw materials could be safeguarded. Copper, nickel and iron ore are already free under the common external tariff and their terms of access would be unaffected. For other products, e.g., asbestos and synthetic rubber, Canada might have to contemplate a loss of preference but would still enjoy free entry. For a third category, including aluminum, wood pulp and lead and zinc, Canada would have to face formally the prospect of the common external tariff but duty-free or very low tariff quotas could probably be arranged.

17. *Mr. Sandys* said that there was little prospect for retaining the present terms of access for exports of Canadian manufactured goods which, although they represent only 2% of Canada's total exports, were still of great importance, particularly with respect to future planning. The only hope here would be to obtain some tariff reduction, probably through GATT, during the transitional period of roughly 10 years.

How Would Negotiations Proceed?

18. *Mr. Sandys* said that the United Kingdom had been disappointed in its earlier hope that it might be able to learn what special arrangements could be worked out for the Commonwealth before actually entering negotiations with the Six; exploratory talks with the French, Germans and Italians had not been productive. However, in his view, it should not be difficult to work out satisfactory arrangements for a large range of products if the Six genuinely wished the United Kingdom as a member. He emphasized that if the United Kingdom decides to negotiate this did not imply a commitment to join. It had been suggested that once the United Kingdom had entered upon negotiations it would be difficult if not impossible to let them fail. While he did not accept this view, he said that the United Kingdom would have to begin with the intention of bringing the negotiations to a successful conclusion and, therefore, their demands could not be unreasonable. Members of the Six, other than France, were generally favourable to United Kingdom accession. De Gaulle was hesitant for political reasons, but powerful sections of French opinion led by Jean Monet favoured United Kingdom entry. The present threatening atmosphere in the world was also likely to create a helpful political background for the talks with the Six.

19. *Mr. Sandys* said that if the United Kingdom decided to negotiate it would wish the Commonwealth to be closely associated with the talks. While it might or might not be possible for Commonwealth countries to be actually at the negotiating table, he hoped that they would work closely together in preparation for the negotiations and in reaching decisions on tactics. At the end of negotiations there would also have to be the closest possible discussion concerning the final decision.

20. *Mr. Sandys* said that his Government had an open mind as to how such final consultation should be carried out. Because of the diversity of interests individual consultation was perhaps the most suitable. This did not mean that the United Kingdom objected to collective consultation and they recognized that a collective meeting, particularly to discuss the political effects, might be desirable when the picture was clear, and that this conference might be at the Prime Ministerial level.

21. *Mr. Fleming* suggested that the Canadian side would wish to comment after lunch. He suggested, and Mr. Sandys agreed, that during the course of the meetings no comment would be given to the press.

Thursday, July 13, 1961 – 2.30 p.m.

22. *Mr. Fleming* said that the Commonwealth had been a fundamental factor in the determination of Canada's external political and economic policy for many years. The enlargement of the Commonwealth in recent years had led to some problems and the fear that the bonds might be weakened. This was not the Canadian view. Its value was reflected in the great importance that the newer members attached to Commonwealth association.

23. *Mr. Fleming* said the Canadian Government recognized that while this was a matter for decision by the United Kingdom, Canadian Ministers had been invited to express their views, which he proposed to do in a frank manner. There was grave concern in Canada about the United Kingdom joining the Community. He hoped that the United Kingdom Government would examine both the economic and political factors that gave rise to our concern before going any further in the direction of making a decision.

24. *Mr. Fleming* said the present Canadian Government had been deeply conscious over the past four years of the relationship between the United Kingdom's dilemma over Europe and its Commonwealth obligations. At the Mont Tremblant Conference Mr. Maudling had described the United Kingdom's approach to the Free Trade Area negotiations and the assurances which he had given to safeguard Commonwealth interests and to exclude food, drink and tobacco had been warmly welcomed. The value of the Commonwealth preferential system had been unanimously reaffirmed at the Montreal Trade and Economic Conference in September 1958.²⁷ Mr. Macmillan's visit to Canada in that same year had led to a repetition of these assurances as well as further understanding of the principle of interdependence.²⁸ When the breakdown in the Free Trade Area negotiations in Paris came in December 1958 to Canada's great regret, it had serious repercussions and it led many, including Canada, to question whether or not the United Kingdom might have over-estimated the strength of its bargaining position at that time and may be doing so again today.

25. *Mr. Fleming* said that the Canadian Government had been conscious of the need to minimize the disruptive effect of any division of Free Europe between the Six and EFTA and had played an active role in creating with the OECD an atmosphere which would contribute to better understanding between the two groups. However, he felt that statements which Mr. Sandys had made this morning about the United Kingdom's intention to safeguard Commonwealth interests would have to be qualified by these doubts about the strength of their bargaining position.

26. *Mr. Fleming* questioned whether, in fact, the situation was as urgent as Mr. Sandys had suggested. Real harm might be done by moving too quickly. He hoped that he was not presumptuous in expressing the hope that the United Kingdom's concern over the immediate prospects of its economic situation would not lead them to take precipitate action on a matter having such long-term consequences.

27. *Mr. Fleming* said that Canadian Ministers could not share the gloomy view of Mr. Sandys about the possibilities for expanding trade under existing arrangements.

28. He would like to know more about the attitude of the United Kingdom public, particularly with respect to the agricultural arrangements.

²⁷ Voir/See Volume 24, document 373.

²⁸ Voir/See *ibid.*, document 438.

29. He also questioned whether it would not prove more difficult than Mr. Sandys had suggested to reach agreement with the Six on special arrangements to safeguard Commonwealth interests. The position of de Gaulle would suggest that there would be little inclination on the part of the French to consider special arrangements which could offer genuine guarantees for Commonwealth trading interests. Recent statements by other leaders in the Six, including Professor Hallstein, the President of the Commission, emphasized the unwillingness of the Six to deviate from the course on which they were now embarked.

30. *Mr. Fleming* asked Mr. Sandys whether if the Six had made such broad strides politically towards unity it would be reasonable to expect that the United Kingdom, if it entered, could turn back the tide that was now flowing towards closer political coordination and consultation. It would be reasonable to expect that the Six might insist on political concessions from the United Kingdom as well as economic concessions. The Canadian experience with the Six in negotiations at Geneva had proven that they are very effective in using their collective bargaining power.

31. *Mr. Fleming* said that at the meeting in September 1960 of Commonwealth Finance Ministers in London, virtually all the Commonwealth countries had expressed deep concern to Mr. Heath about the effects of the United Kingdom joining the EEC. In present circumstances the Canadian Government would consider that a plenary meeting of the Commonwealth would be the most useful way in which to consult on this very vital issue which had such disturbing political and economic overtones.

32. *Mr. Fleming* said the position of the United States would have to be recognized. For political reasons the Administration appeared to support the EEC, but it must be remembered that the United States had always been critical of the Commonwealth preferential system.

33. *Mr. Fleming* referred to his own statement to the press in London in September 1960 that any loss of the economic advantages for Canada in the United Kingdom market for which there had been payment through reciprocal concessions in the Canadian market would necessarily lead Canadians to question whether they could continue to maintain the advantages offered to the United Kingdom in the Canadian market. It could lead Canadians to look on an increasing scale to the United States as a market. Any weakening of the Commonwealth would also reinforce the strong economic and political pulls to the South which already existed. There was also a danger that an enlarged European Community which did not pursue outward-looking policies would greatly encourage the growing protectionist tendencies in the United States Congress.

34. *Mr. Fleming* said that while Mr. Sandys had reassured the meeting that no decision had been taken by the United Kingdom Government, it was the view of Canadian Ministers that the United Kingdom Government were much closer to this decision than the Canadian Government had expected. It would be virtually impossible for the United Kingdom to embark on negotiations and later to break them off. Such a course would lead to the most far-reaching and dangerous consequences. These were so far-reaching, in fact, that he questioned whether the lack of clear advantage which might result from United Kingdom membership warranted their taking such a great risk.

35. *Mr. Fleming* said he doubted that the United Kingdom Government would be able to influence the EEC effectively without losing a good deal of political freedom of action. It would hardly be possible for the United Kingdom to exercise a strong influence within the EEC and at the same time to retain its influence within the Commonwealth.

36. *Mr. Fleming* said that he had noted Mr. Sandys' statement that the United Kingdom Government wished to keep in touch individually with Commonwealth Governments at all stages and that they had no fixed ideas as to collective discussion. It was the Canadian view

that this subject should be carefully reviewed collectively before the United Kingdom takes a decision even to negotiate.

37. *Mr. Hees* said that he had doubts in his mind about the trade and economic advantages for the United Kingdom. There was no doubt in his mind that this would have a serious and adverse affect on Canadian trade.

38. While he appreciated that the United Kingdom were attracted by the dynamic structure of the EEC, only 14% of United Kingdom exports went to that market as opposed to roughly 40% which were absorbed in Commonwealth markets. A substantial increase in exports to Europe could be more than offset by a decline in United Kingdom sales to the Commonwealth.

39. *Mr. Hees* asked *Mr. Sandys* how the United Kingdom could reconcile improving its competitive position in the export market when they might be obliged to accept higher tariffs for raw materials and foodstuffs. In his view the United Kingdom already possessed a large market and that this, coupled with their markets abroad, should make them capable of meeting any challenges. In concentrating their economic ties on Europe they were joining themselves to a group which was competitive rather than complementary as with the Commonwealth. He firmly hoped that the United Kingdom Government would take these and other factors into account in reaching a decision whether to negotiate.

40. *Mr. Hees* emphasized the importance of the United Kingdom market for Canadian trade and, in particular, for manufactured goods where postwar restrictions, which had neutralized preferences, had only recently been removed. He said that out of total sales last year of \$915 million, \$691 million, or 76%, would be affected by the United Kingdom acceptance of the Common Market tariff. \$631 million would, in our view, be seriously affected. \$584 million of this trade would be faced with higher tariffs. \$553 million would be faced with not only a loss of preference but, in most cases, a preference against Canadians and in favour of Europeans. This would be entirely new and a seriously disturbing situation.

41. *Mr. Hees* said that the statistics could not be the full measure of the damage for Canada. Loss of preferences for our manufactures would lead to serious reactions in Canada where grave employment problems exist. There was no substitute for the existing terms of access to the United Kingdom market.

42. *Mr. Hees* referred to the types of safeguards which *Mr. Sandys* in his statement in the morning had said there might be hope for reaching an agreement with the Six. But even these so-called safeguards, whose acceptance by the Six was questionable, would not be adequate in Canadian minds.

43. *Mr. Hees* emphasized that preferences were a basic element contributing to the close links of the Commonwealth. If the United Kingdom joined the EEC Canadian trade would be exposed to extensive and irreparable damage affecting all the main sectors of the economy.

44. *Mr. Green* said that he, like *Mr. Sandys*, recognized the strong political content of the Rome Treaty. He was worried about *Mr. Sandys*' reference to the "coordination" of views within the Six, and particularly the tendency, which is already apparent, to coordinate on NATO matters. This was contrary to the spirit of the Alliance. Canada had objected earlier to the United States, the United Kingdom and France (and sometimes Germany) attempting to set policies for NATO. This tendency would be increased if the United Kingdom joined the Six. He was also concerned about the creation of a third massive nuclear power. That was not the way to prevent war and keep the peace. Contrary to the worry of *Mr. Sandys* about what would happen to United Kingdom influence if they did not join the EEC, he felt that United Kingdom influence would grow as the leader of a vigorous Commonwealth. Combining with Germany and Italy was not a substitute for the Commonwealth link.

45. *Mr. Green* questioned whether the United Kingdom (or the Commonwealth) would be able to exercise effective leadership in the Six. He wasn't sure whether *Mr. Sandys*

contemplated the Commonwealth joining (or at least controlling) the Six or the other way round. The United Kingdom seemed to be counting heavily on things changing after the departure of de Gaulle and Adenauer. The fact was, however, that de Gaulle, and not his successor, would set the terms of entry for the United Kingdom and would not leave much scope for the United Kingdom to gain excessive influence.

46. *Mr. Green* said that this move could endanger the important links which the United Kingdom retained with its former colonies in the Commonwealth. Britain had a great record in bringing countries to independence and she was held in high regard throughout the world. She had more influence than Mr. Sandys seemed to admit. Her influence would be lessened rather than increased if she joined the Six. Mr. Green questioned whether the United Kingdom, as a member of the Common Market, could exercise as much influence in the East-West struggle, and in particular on such specific and grave issues as Berlin.

47. *Mr. Green* said he had great difficulty in understanding how the United Kingdom thought they could reconcile Commonwealth and EEC interests. Canada and other Commonwealth countries recognize the leading place of the United Kingdom in the Commonwealth at present. They could not agree, however, that the United Kingdom might speak for the Commonwealth within the EEC if she became a member.

48. *Mr. Green* said he doubted that the United Kingdom staying out of the EEC would increase the likelihood of the United States withdrawing its armed forces from Europe. It might well work the other way round.

49. *Mr. Green* said that, as Mr. Sandys had recognized this morning, the present situation was fraught with uncertainties. It would be a tragedy if the Commonwealth were weakened at this time when it could contribute so greatly to world peace. He realized what a difficult decision now faced the United Kingdom, but on the basis of what had been said by Mr. Sandys this morning he thought it would be a serious mistake for the United Kingdom to enter into negotiations with the Six.

50. *Mr. Hamilton* said that his Department had been studying closely the changing patterns in agriculture in the United Kingdom and Europe and he was aware, for example, that they were now self-sufficient in barley. By 1965 Europe would probably be self-sufficient generally. At this stage it was impossible to determine what policies Europe would pursue, but Canadians had no illusions about the future. They were prepared to face tariff barriers, but to be clearly excluded would be seriously damaging for Canadian agriculture. In his view, France had the ability to grow more wheat and that in the near future the rest of the Six and the United Kingdom, if it decided to join, would be obliged to accept this, even though it meant poorer bread and higher prices.

51. *Mr. Hamilton* said that the loss which the Canadian farmer had suffered as a result of the special pricing arrangements in the 1946 wheat agreement with the United Kingdom is proof of Canada's warm feelings about the Commonwealth and the United Kingdom in particular. Canada had also exercised a policy of restraint in disposing of its butter surplus because of the possible disruptive effect it might have on other Commonwealth countries.

52. *Mr. Hamilton* said that Canada shared a common aspiration with a number of other Commonwealth countries in that she did not wish to be a mere supplier of raw materials, but wished to develop her own industries. It was appreciated that other more highly industrialized countries might be in a position to concentrate more effectively on manufacturing, but the development of secondary industries was also essential for the development of the Canadian economy.

53. *Mr. Hamilton* said that the role of leadership which the United Kingdom exercised with the English-speaking people of the world was of great importance and he sincerely was concerned that the United Kingdom might lose this position if they joined Europe.

54. *Mr. Sandys* said that it was his impression that the Canadian Ministers had rejected in large part the United Kingdom thesis, as he had put it forward in the morning. There was plenty of room for two opinions on this matter and there were undoubtedly uncertainties about the effects both on trade and on political alignments. The United Kingdom was pessimistic about its export possibilities if it did not improve its competitive position vis-à-vis the Six. They would be most anxious to explore means of expanding Commonwealth trade but they were not aware of any concrete possibilities and therefore they had little choice but to examine the possibility of an association with Europe.

55. *Mr. Sandys* said that while he had doubts in his mind about what the economic effects would be, he did not share these uncertainties about the political effects of the United Kingdom joining the Six. He did not think they would be faced with a serious dilemma over a federal state in Europe and he thought that the United Kingdom would be able to exercise considerable leadership in the European Community. This leadership would be consistent with and would indeed strengthen their contribution to the Commonwealth.

56. *Mr. Sandys* said that the United Kingdom were looking at this move from a long-term point of view. The real danger to security would eventually come from China when it developed as a nuclear, industrialized state. In these circumstances, some move towards world government was essential if the West was to survive and the present arrangement with the Six might be the first step towards an Atlantic Community or even a wider political association amongst like-minded nations.

57. *Mr. Sandys* emphasized again the importance his Government attached to the Commonwealth association. He cited the achievement at the last conference of Prime Ministers in reaching agreement on a common approach on disarmament.

58. *Mr. Sandys*, in reply to an enquiry from Mr. Green, said that he doubted that there was widespread opposition in the rest of the Commonwealth to a move by the United Kingdom towards Europe. Such opposition as was emerging in countries like Ghana was based on considerations other than an attachment to the Commonwealth.

59. *Mr. Hees* asked how it would be possible for the Commonwealth to continue on its present basis in view of the trade adjustments which might be anticipated. He thought that all countries in the Commonwealth would be adversely affected. The attitude of the Canadian public and its goodwill towards the United Kingdom in particular might be affected by such a move.

60. *Mr. Sandys* said that because his Government attach such importance to the Commonwealth they would forego an arrangement with Europe even if it appeared to be in the United Kingdom interest if it became apparent that they would be unable to secure reasonable safeguards for Commonwealth interests. He asked that care should be taken to avoid giving any public impression that the United Kingdom was lukewarm to the Commonwealth.

61. *Mr. Fleming* suggested that widespread development of regional trading blocs posed a challenge to the principle of multilateralism for which Canada and the United Kingdom had worked together since the end of the war. It would be a tragedy if this spirit was compromised, and if the United Kingdom was associated with such a compromise he thought the effects on world opinion would be very serious.

62. *Mr. Fleming* agreed with Mr. Sandys that further meetings might be of a smaller and less formal nature and that some consideration would have to be given now to the preparation of a communiqué.

The meeting adjourned.

511.

DEA/12447-40

*Note d'une conversation entre le premier ministre
et le secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni*

*Memorandum of Conversation between Prime Minister
and Secretary of State for Commonwealth Relations of United Kingdom*

SECRET

Ottawa, July 14, 1961

The interview was held yesterday morning at 11.00 o'clock. We had a most congenial discussion.

I pointed out the dangers of the United Kingdom entering the Common Market, (1) politically, (2) economically.

As to the first, I underlined the effects it will have on the Commonwealth. When he asked me for particulars and why that should be so in view of the fact that the United Kingdom and Canada were in NATO, the defensive organization, which was not looked on with favour by member countries such as India, I told him I was unable to do more than say that that was my feeling and it might be emotional as I had a deep attachment to the Commonwealth.

He frankly stated that a similar view was expressed by Mr. Menzies, to which I replied that his views were significant in that he had generally supported whatever stand was made by the United Kingdom.

I told him these discussions taking place with the Canadian Ministers were not to be considered as consultation but were designed to secure the British views on the subject and that I believed this matter could have been settled through a Prime Ministers' Conference and in a way that would have been beneficial for all concerned.

He said the Prime Ministers' Conference had not been ruled out to which I replied that Prime Minister Macmillan's statement in the House of Commons two days ago indicated that the United Kingdom Government had turned down the suggestion of such a conference.

He stated that having considered all of the factors, including the danger to the Government of having the agricultural ridings which are represented in general by Conservative Members, to the fact that some British businesses will fold up, the considered view of the British Government was that if Britain does not enter the Common Market it will not only lose that market but will be unable to compete in other parts of the world, as the nations joined together in the Common Market will be able to reduce their costs of production as their industries will be geared to the demands of 170 million people. To put it another way, the mass production created by that large market will reduce the costs of production so that the United Kingdom with a market of only 50 million people will not be able to compete.

I frankly told him that we did not want to be placed in the position of a dog in the manger, and that the United Kingdom had the right to decide its course – a right which all of the members of the Commonwealth assert as a principle – but that if Britain joined the Common Market Canada and Australia would be driven into closer relations with the United States.

When I informed him that the United States was endeavouring to "push" the United Kingdom into the Common Market he disagreed with my conclusion and said that he knew that view was held but that it was not borne out by the facts, and the United States had done nothing to induce the United Kingdom to join and it was only after requests that the United States endeavoured to have President de Gaulle agree that insofar as agricultural products are concerned that the Treaty of Rome should be abrogated to the extent necessary to preserve for the Commonwealth countries their favoured rights of export of these products into the United Kingdom.

In a passing reference he stated that President de Gaulle felt that he wanted to restore the days of the Louis of France and to occupy Versailles Palace but did not want to invite Marlborough to dinner.

I pointed out that there was nothing to protect our wheat market which was most important to Canada to which he replied that to join the Common Market would not change the eating habits of the English people.²⁹

J.G. D[IEFENBAKER]

512.

J.G.D./MG01/XII/A/330

*Le secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni
au premier ministre*

*Secretary of State for Commonwealth Relations of United Kingdom
to Prime Minister*

PERSONAL AND CONFIDENTIAL.

Lac Ouimet, July 17, 1961

My dear Prime Minister,

This is just a line to tell you how glad I was to have the opportunity for such a good talk with you. I was greatly interested by what you said to me. I also wish to thank you for the pleasant lunch party, which I much enjoyed.

I can assure you that I fully understand the anxieties you feel about the possible consequences should Britain join the Common Market and the thoughts which underlie them.

As you realise, we have a very crucial decision to make – perhaps one of the most difficult we have ever made in our long history. We too have many doubts and anxieties. But for us, unfortunately, there is no way of “playing it safe.” We have to choose one road or the other; there is no middle course.

We clearly cannot put off a decision much longer. What our conclusion will be, I honestly cannot say; but you may be sure that, in coming to it, we shall give much weight to the views which you have expressed.

With all good wishes,

Yours sincerely,

DUNCAN SANDYS

²⁹ Note marginale :/Marginal note:

This was dictated by the Prime Minister who saw Sandys alone. H.B. R[obinson]

513.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

TELEGRAM 2654

London, July 21, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE

For Personal Delivery.

No repeat no other distribution.

COMMON MARKET

At his request I spent some time at his office with Duncan Sandys today. He reported on some of the details of his visit to Ottawa, and expressed great satisfaction with his meeting with you. Having regard to our conversation by phone, I was interested in the fact that he again reverted to the proposition that British association with the Common Market involved no repeat no political commitments. I pointed out that this was directly contrary to the statements made publicly by Mr. Macmillan, Mr. Maudling, Mr. Watkinson and several other members of British Government.

2. He attempted to draw a parallel between NATO and the Common Market to support his claim that an arrangement of this kind could be made without political commitment. I suggested that if NATO were to be used as an example, then it should be remembered that NATO was based primarily on the strength of USA, and that if the same reasoning were to be followed then instead of being advised by USA to join the Common Market they should be urging USA to exercise their own influence on Europe by making the first move toward the Common Market.

3. I confess that I got no repeat no very satisfactory answers because he has a habit of backing away from any positive statement and introducing some new angle.

4. Our conversation covered a wide field. He asked me what I thought Canada would do if they went in with the Common Market. Just to give him something to think about, I asked him if he remembered the reciprocity treaty of 1911. I said that of course I was drawing no repeat no parallel but recalled the events. As he asked me twice afterwards for Champ Clark's name, I think it has left him with something to think about.

5. The only really important part of our conversation, and I regard it as being of very great importance, was the following. He said positively that at the daily Cabinet meetings they are discussing nothing repeat nothing but the Common Market. He mentioned that they are meeting again this afternoon and again on Monday.

6. He said "The Prime Minister must of course make a definite statement a week from Monday. We have one of three choices. He must announce that we are opening negotiations with the Six, that we have decided not repeat not to approach the Common Market, or that we have not repeat not yet reached any decision." He said that he thought the last was an unlikely choice as there is such an increasing demand from the people in this country for some definite statement.

7. His conversation left little doubt that his own mind was made up that there should be a definite statement that they were going to enter into negotiations. This was supported by some rather wide-ranging observations on the necessity for world government before too long and the fact that we must take what intermediate steps are required without delay. All this would have had no repeat no meaning except to support an argument in favour of negotiations.

8. I expressed some surprise that they were considering a decision to enter into negotiations at this stage as I had understood that Macmillan had given a firm assurance that there would be no repeat no decision to enter into negotiations until there had been full and effective consultations with the members of Commonwealth. He indicated that he thought his visit and that of the other salesmen met with this requirement. I pointed out that on more than one occasion you had stated that his visit was only regarded as a preliminary discussion. He made no repeat no comment on that remark but simply repeated that they must come to a decision so that Macmillan could make a firm announcement a week from Monday (July 31).

9. It is my understanding from other government sources that they think a decision to start negotiations will be announced by Macmillan on July 31, and that he will be sending a message to you early next week seeking a reply which will indicate that you have no repeat no objection to this course even if you do not repeat not openly express approval.

10. If such a message is received may I suggest that in the light of your own earlier statements and Macmillan's statements in the House about full and effective consultation, it might be appropriate to state in the firmest terms your own concern about a course which seems to be contrary to your understanding and can have such far-reaching consequences on the future of Commonwealth.

11. You might wish to consider the advisability of pointing out that while the decision as to what they do is of course the responsibility of the Government of UK, nevertheless the course you will be called upon to follow will equally be your responsibility and the effect on the future of Commonwealth is not repeat not something which can be divorced from the decision made by any Commonwealth Government.

12. I did ask Sandys whether he thought the present situation in Tunisia was one which could be completely disregarded in considering the political implications of association in the Common Market under a Commission which could determine so many of the activities of member states. I found it difficult to understand his reply that this had no repeat no bearing on the subject, particularly with the announcement this afternoon that Bourghiba has seized French pipelines from Sahara. I must admit that I find it difficult to understand why it is particularly attractive to Britain to become so closely integrated with France and Germany when there are such critical developments in both countries which can hardly be separated from the decisions which would be made regarding the industrial and economic activities of the countries concerned.

13. From what I hear I am fairly confident that if the decision is to go ahead with negotiations, you will be asked for your approval in a message from Macmillan which is likely to refer to the statement in the communiqué³⁰ that this is a decision which must be made by the Government of United Kingdom.

14. It may be important that only today Ted Hill, the Head of the TUC and several other important labour leaders have joined in a statement firmly opposing Britain joining the Common Market. This combined with the statements by the farmers union and the federation of British industries creates an atmosphere in which a firm statement from you may be decisive.

[GEORGE] DREW

³⁰ Voir/See "Canada: Joint Statement Issued in Ottawa, 14 July 1961," Commonwealth Consultations on Britain's Relations with the European Economic Community: Statements on Talks between British Ministers and other Commonwealth Governments, United Kingdom, Parliamentary Papers, Cmnd. 1449 (London: Her Majesty's Stationery Office, 1961), p. 4.

514.

DEA/12447-40

*Le secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni
au haut-commissaire au Royaume-Uni*

*Secretary of State for Commonwealth Relations of United Kingdom
to High Commissioner in United Kingdom*

TOP SECRET AND PERSONAL

London, July 27, 1961

My dear George [Drew],

I am sending you, for your strictly confidential information, the attached copy of a personal message which Mr. Macmillan has sent to Mr. Diefenbaker about the Common Market.

You will, of course, understand the extremely delicate nature of this message. I should therefore be grateful if you would make a point of keeping it entirely to yourself until the announcement is made in the House on Monday.

Yours ever,

DUNCAN [SANDYS]

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre du Royaume-Uni
au premier ministre*

*Prime Minister of United Kingdom
to Prime Minister*

We have in the last few days been considering in Cabinet our policy towards the European Economic Community. We have in particular given the closest attention to the reports which Duncan Sandys and my other colleagues have made on the discussions which they have had in Commonwealth capitals. These have given us a very clear picture of Commonwealth views on this difficult and complex issue.

2. I am now sending you this message to let you know that after weighing all the considerations, and taking fully into account the views expressed to us by Commonwealth Governments, we have reached the conclusion that the right course is to seek to enter into negotiations with the Six. I shall be making a statement in the House of Commons on Monday, 31st July, to announce our intentions; I must naturally ask you to keep this decision strictly confidential until that statement is made. We have not yet decided on the exact terms in which our decision will be presented, which is of course a matter of some importance, and I hope to send you a further message on this at the end of the week.

3. In his discussions with you and your colleagues Duncan Sandys explained what a crucial decision in terms of Britain's future this is. He also explained to you the political and economic considerations that have increasingly drawn us towards the conclusion that we should seek negotiations with the European Economic Community with a view to joining if satisfactory terms and conditions of membership can be secured. I will not go over this ground again except to say that the economic arguments are given emphasis by the long-term dangers for the British economy which were explained by the Chancellor of the Exchequer in our House of Commons on July 25th.

4. You and other Commonwealth Governments have recognised that this is a decision which is of cardinal importance for Britain and which the British Government alone can take.

5. At the same time, we naturally realise that, to a greater or less extent, the interests of all other Commonwealth countries are affected, and we are very conscious of the concern they

feel about the possible consequences for them of our joining the Community. These naturally vary in nature and degree from country to country; but it is clear that a substantial volume of Commonwealth trade, in some cases of vital importance to the economies of individual countries, would be at risk if we were to join the E.E.C. without securing adequate safeguards.

6. My colleagues have had useful discussions with your Government and the other Commonwealth Governments about which of the essential items of this trade would be endangered and, in a general way, about possible methods of protecting them if we were to join the Community. But it is only through negotiations that we can find out what special arrangements can be secured.

7. We have pondered deeply over the views that you and other Commonwealth Governments have expressed about the possible political consequences of our joining the Community. We are here dealing with matters which cannot be clearly and precisely gauged in the same way as trading interests. Any assessment of the way in which our membership of the Community might affect the political future of Britain or the political cohesion of the Commonwealth involves taking a view, which must necessarily be speculative, about how the Community will develop over the years. And any estimate of how the Community might develop with ourselves as a member has to be matched (as also in the general economic context) against an estimate of how it might develop without us. This comparison depends in its turn on a judgment of what our say would be in the affairs of the Community if we were a member, and of how far, therefore, we could hope to influence the policies of the other European countries in the directions which the Commonwealth would wish. And finally we must set all these considerations against the background of possible changes of a profound nature in the international scene as a whole. It is natural enough that, with all these imponderables, we should take differing views on how the future might develop. I can only repeat what Duncan Sandys said to you: that we should not be applying to join if we did not believe that within the Community we should be able to continue to play our full part in maintaining and developing the Commonwealth association, and to do so more effectively than if we remained outside it.

8. The Bonn communiqué of 18th July³¹ has made clear both that the Six intend to formalise their co-operation on political questions, and also that there is no agreed view yet on how this should be done. This seems to us an additional argument for getting into the Community in time to influence these developments in a healthy direction.

9. Duncan Sandys has explained to you our intentions as regards Commonwealth consultation in relations to these negotiations. We should wish to have further consultations before the substantive negotiations start and compare notes on how we should handle the subjects in which you have a particular interest. We would then wish to make arrangements for close contact during the negotiations. When the time-table is clearer, we shall be sending you more precise proposals on these matters.

10. We shall be having a debate in the House of Commons on this subject on August 2nd and 3rd. In the debate we shall expound the considerations which have guided us to the decision we have taken.

[HAROLD MACMILLAN]

³¹ Voir/See D.C. Watt *et al.*, eds, *Documents on International Affairs, 1961* (London: Oxford University Press/Royal Institute of International Affairs, 1961), pp. 187-89.

515.

DEA/12447-40

*Note du chef de la 1^{ère} Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic (1) Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], August 3, 1961

THE UNITED KINGDOM AND THE SIX

An informal interdepartmental meeting called by Mr. Ritchie was held yesterday to discuss some of the issues raised by the United Kingdom's decision to initiate negotiations with The Six. In addition to Mr. Ritchie, Mr. Plumptre, Mr. Reisman, Mr. Shefrin, Mr. Campbell Smith and a few other officials of Finance, Trade and Commerce, External and the Bank of Canada were present. The following is a summary of the conclusions reached on the questions discussed at this meeting.

1. *Timing and Location of Negotiations between the United Kingdom and the EEC*

In the light of the information available on the proposed timing and location of these negotiations, it was agreed that for planning purposes we should assume that they will start on October 1 in Brussels.

It was also agreed that Canada House in London should be asked to keep us informed of any development regarding timing and location.

2. *Further Collective Commonwealth Consultations in the near Future; Role of the Commonwealth Economic Consultative Meeting in Accra on September 12*

The following questions were considered: Should there be special Commonwealth consultations before negotiations begin between the United Kingdom and The Six? Will the issues raised by the United Kingdom's decision to negotiate be discussed at Accra? If so, what position should Canadian Ministers take?

It was felt that collective Commonwealth consultations could essentially be addressed to two issues: whether the United Kingdom should initiate negotiations and whether negotiations, once they had reached a critical phase, should be broken off. The first had already been dealt away with. It seems that collective Commonwealth consultations of the kind envisaged by Mr. Diefenbaker would be most appropriate when the second issue came to the force. However, it seemed desirable to maintain Commonwealth pressure on the United Kingdom in the meantime and this could be achieved at the meeting in Accra.

It was suggested that in making recommendations to Canadian Ministers on the attitude to be taken in Commonwealth consultations, two possible developments should be taken into account: If the negotiations reached a critical stage, which seemed likely, the political consequences in Europe of a break-off would be much more serious than they would have been if the United Kingdom had decided not to negotiate. Moreover, several Commonwealth countries could conceivably consider, when this critical phase was reached, that their interests were adequately safeguarded. Thus, the Commonwealth would not necessarily present a common front and Canada might be isolated. These considerations suggested that perhaps less emphasis should be given to the arguments relating to the disruptive effects on the Commonwealth of a United Kingdom move into Europe.

It was agreed that officials should recommend to Ministers that no other collective Commonwealth consultations should be proposed at this stage beyond the meeting already

planned at Accra; they should also recommend that at Accra Canadian Ministers should reiterate their concerns over a United Kingdom move into Europe.³² At the same time Canadian Ministers should be made aware of the more serious consequences which a United Kingdom decision to break off negotiations could be expected to have in Europe and of the possible lack of unanimity in the Commonwealth on this issue.

3. *Further Bilateral Consultations between Canada and the United Kingdom before the Beginning of European Negotiations*

It was agreed that as soon as possible a letter to Mr. Macmillan should be drafted for the Prime Minister's signature. This letter would state our understanding of the United Kingdom's present position, recall Canadian misgivings about a United Kingdom move into Europe, state the terms which are regarded as necessary for the safeguard of our interests, broadly speaking, the maintenance of free entry into the United Kingdom market, where we presently enjoy it (ref.: first positions indicated in Trade and Commerce memorandum of June 27 entitled "Suggested Canadian Attitude").† This letter would also refer to the traditional trade arrangements between the United Kingdom and Canada and to our rights under the 1947 Exchange of Letters,³³ and express along the line of the Prime Minister's statement of July 31,³⁴ our desire to be kept in close consultation.³⁵

The chief purpose of this letter would be to place our requests before the United Kingdom at an early stage of their preparation for their negotiations with The Six.

There was some preliminary discussion of the course bilateral consultations with the United Kingdom might take. It was pointed out that although our opening position would probably prove impossible to maintain, it already meant a substantial concession to the United Kingdom since Canada under it would be giving up its preferential position in the United Kingdom market in favour of The Six.

4. *Special Consultations with Australia and New Zealand before or during the United Kingdom-European Negotiations*

It was agreed that Canada should propose to Australia and New Zealand an exchange of views on positions to be taken at the Accra meeting and on specific commodity problems of interest to these countries. We would express our readiness to carry out this exchange by telegram and to meet Australian and New Zealand officials here on their way to Accra, if they found it possible to come to Ottawa, or en route for Accra in London, or in Accra itself around the time of the Commonwealth Economic Consultative Council meeting.

(Possible consultations with the U.S.A. were not discussed.)

5. *Canadian Attitude towards United Kingdom-European Negotiations, Aloofness or Participation in some Degree*

It was agreed that Ministers should be advised against Canadian participation at the negotiating table. Canada's presence at the table would not appear to be necessary to press the positions which would safeguard our interests. We had no contractual rights which would clearly justify our presence at the table. Moreover, if the United Kingdom-Six negotiations

³² Note marginale :/Marginal note:

I do not think this necessary or timely. [N.A.] R[obertson]

³³ Voir *Recueil des Traités du Canada*, 1948, n° 31.

See *Canada Treaty Series*, 1948/31.

³⁴ Voir/See Bruce Macdonald, "Looking into Business: Conference of PMs Remains Objective of Diefenbaker," *Globe and Mail*, August 1, 1961, p. 18.

³⁵ Note marginale :/Marginal note:

I think this cd be a useful exercise in clarifying our own thinking – but am not sure that the P.M. sh'd send such a letter to Macmillan. [N.A.] R[obertson]

gave us some scope for reducing United Kingdom preference in the Canadian market, we should probably wish to use this scope chiefly in negotiations with the U.S.A. – not The Six. We should not sit at the table unless the United States were present.³⁶

Australia and New Zealand were in a different position. Australia had contractual rights with the United Kingdom and for both their alternative market was in Europe. It was agreed that the difference between the position of Canada on the one hand and of New Zealand and Australia on the other should be explained to Ministers.

This recommendation on Canadian participation in the negotiations should, however, be revised if a considerable number of Commonwealth countries asked to sit at the table.

It was also agreed that our Mission in Brussels should nonetheless be strengthened by the addition of two or three fairly senior officials who would be available in Brussels at least from time to time to follow developments in the negotiations, consult with United Kingdom negotiators at a senior level if the need arose, provide advice to Ottawa and, on instruction, be able to convey the views of the Canadian Government.³⁷

6. *Effect on GATT Tariff Negotiations*

The consensus of the meeting was that the United Kingdom's attitude towards these negotiations could be regarded as the test of the seriousness they attached to their forthcoming negotiations with The Six. The United Kingdom could probably be expected to lose interest in the Dillon round except in so far as the Dillon negotiations provided an opportunity for lowering common tariff rates on items where a high common tariff would give rise to difficulties in their negotiations with The Six.

It is intended that within the next few days a draft letter to Mr. Macmillan will be prepared along the lines indicated above, together with a covering memorandum to the Cabinet containing the recommendations also stated above.

M.A. CROWE

516.

DEA/12447-40

*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 2937

London, August 11, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 2909 Aug 9.†

Repeat for Information: Washington, NATO Paris, Paris, Brussels, Tariff Del, Hague, Rome, Bonn, T&C, London, T&C Ottawa (OpImmediate), Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa (OpImmediate) from Ottawa.

UK AND EEC COMMONWEALTH CONSULTATIONS

Although we expect that you have already been approached by Earncliffe, the following for the record is text of a letter received yesterday from Belcher, Assistant Under Secretary in

³⁶ Note marginale :/Marginal note:

I think we may have to reconsider this. [N.A.] R[obertson]

³⁷ Note marginale :/Marginal note:

Agreed. [N.A.] R[obertson]

CRO. Similar letters have been sent, as far as we can determine, to all our Commonwealth colleagues.

Text Begins:

I am writing to let you know that we instructed our High Commissioner over the weekend to explain to your government the timetable we were at present expecting would be followed for the negotiations with the Six countries of EEC (on the assumption that our proposal for negotiations is accepted by them) and to ask what the wishes of your government were about the consultations we wished to have with them negotiations begin.

2. We think it probable that the negotiations with the Six would start in the course of October. We shall not repeat not know more precisely than this for some time, but are meanwhile proceeding with our preparatory work here on this assumption, and we expect to be ready for consultations with other Commonwealth governments in the second half of September.

3. There seem to us to be two ways of organizing consultations on the problems of concern to other Commonwealth governments, namely either (a) through designated officers in London (either from Commonwealth Houses or to be sent specially to London) whom we could consult both individually and in groups (e.g. on commodities of interest to several countries), or (b) through our own high commissioners in Commonwealth capitals. We recognize that some governments may prefer the first procedure while others will prefer the second; we do not repeat not think it necessary that procedure should be uniform, and we should be happy to fit in with the wishes of each government. Our High Commissioner has been asked to explain this to your government and to ask them to let us know what their views would be. He has been asked to say that, if they should prefer consultations in London, we propose that they should take place from Monday the 18 September, when we ourselves hope to have completed the necessary preliminary work.

4. We do not repeat not yet know where the formal negotiations with the Six would take place, but we have been giving some thought to the most appropriate method of ensuring close day-to-day consultations with Commonwealth governments when they begin.

We believe that some Commonwealth governments will wish to have special representatives at the seat of negotiations to work closely with UK Delegation there. If so, or if they should wish to send representatives specially when some matter of particular importance to them is under negotiation, our delegation will of course be glad to make arrangements for regular consultation with these representatives. Other governments may not repeat not think it necessary or find it practicable to do this, and may prefer to designate representatives in London who would be available for individual or collective discussions with officials here who will be handling the negotiations at this end. Our High Commissioner has been asked to ascertain from your government what arrangements they would wish to make. Text Ends.

2. When we spoke to Belcher later he was not repeat not prepared to add anything significant to what was contained in the letter. He maintained that little thought had been given to how possible consultations in London may be organized and said that the purpose of the letter was merely to indicate UK officials would be "at home" on and after September 8. Later, however, he said that their preference would be for a series of working party studies of particular commodities rather than a more general CECC type meeting of officials.

[3]. From discussions we have had with other Commonwealth representatives, we think there is likely to be pretty general preference for course (a) of consultations in London rather than in other Commonwealth capitals. We have had several enquiries, however, as to the likely Canadian response and we should therefore be grateful if you would keep us in touch with your thinking as it develops and inform us of any reply you give to Earncliffe.

517.

DEA/12447-40

*Note de l'adjoint spécial au Bureau du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], August 29, 1961

Reference: Memorandum to Cabinet dated August 22, 1961.†

POSSIBLE UNITED KINGDOM ASSOCIATION WITH THE SIX,
FURTHER CONSULTATIONS WITH THE UNITED KINGDOM

Cabinet today considered the Memorandum to Cabinet under reference, and while the proposed reply to the United Kingdom High Commissioner³⁸ was approved, certain features of the Memorandum, setting out the conditions under which Canadian representatives would keep in touch with developments during the United Kingdom's negotiations with the Six, were amended. For example, that portion of paragraph (4) beginning "While the first stage of the consultations would take place in London ..." to the end of paragraph (4) was not approved by Cabinet. The preceding sentence was amended to state "Canadian representatives will have to maintain the closest possible contact with the United Kingdom and other Commonwealth countries in London."

2. The objective of these changes is to give effect to Cabinet's decision that there should be
(a) no suggestion that the United Kingdom would be negotiating in Brussels on our behalf;
(b) no Canadian representatives at Brussels keeping in touch, either directly or "in the corridors."

3. Cabinet, however, decided that, if the meeting beginning September 18 in London indicates that the United Kingdom is going ahead with joining the E.E.C. anyway, Canada wants a Commonwealth Prime Ministers' conference.

4. The Minister commented that the role of the Canadian representative at the talks in London was one requiring great tact and the ability to avoid even by implication entering into commitments. The selection of an official with the right qualifications was, therefore, a matter of great importance.

ROSS CAMPBELL

518.

DEA/12447-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

[Ottawa], August 30, 1961

THE UNITED KINGDOM AND THE COMMON MARKET

With reference to Mr. Campbell's memorandum of August 29 recording Cabinet decisions on this subject, I understand that it is not the present intention of the Cabinet Secretariat to

³⁸ Voir/See document 519.

include a reference to a Commonwealth Prime Minister's Conference in the Cabinet Conclusion which is being prepared on the outcome of the discussion on this Item on August 29.

H.B. R[OBINSON]

519.

DEA/12447-40

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

*Under-Secretary of State for External Affairs
to Deputy High Commissioner of United Kingdom*

CONFIDENTIAL

[Ottawa], August 30, 1961

Dear Mr. Fowler,

The Canadian Government welcome the United Kingdom Government's proposal to consult with other Commonwealth Governments in relation to the United Kingdom's negotiations with the Six. Representatives of the Canadian Government will be available in London for these consultations from approximately September 18, the date suggested by the United Kingdom Government.

The United Kingdom Government just before the visit of Mr. Sandys invited the views of the Canadian Government on the economic interests for which some special arrangements were considered essential and on the possible forms that such special arrangements might take. We have given serious consideration to this request. The fact is, however, that the diversity of Canadian interests in the United Kingdom market – more diversified than in the case of any other Commonwealth country – and the differing interests of different regions of Canada, of different industries in Canada and of individual producers within these industries, are such that it would not be practicable to provide general answers to this question. In order that we may know what Canadian interests may be in jeopardy and make suitable preparations for these consultations, it is urgently necessary for us to know what the United Kingdom in its own preparations for negotiations with the Six has in mind in respect of the various sectors of trade.

The close and mutually advantageous trade relations between the United Kingdom and Canada over the years have been based upon the maintenance of duty free access to the United Kingdom market for virtually all Canadian products, as well as upon the preferential tariff arrangements made from time to time by each country for the benefit of the other. The United Kingdom in its own interest adopted the policy of free entry and in the context of mutually advantageous Commonwealth trading arrangements saw fit to maintain free entry for most Commonwealth products when its adopted a tariff on foreign products. The United Kingdom Government is well aware of the importance of the United Kingdom market for Canada's exports. In recent years about one-third of Canada's exports to the United Kingdom have been in agricultural products, about one-half in basic industrial material and about one-fifth in a variety of semi-processed and manufactured items. It has clearly been in the interest of the United Kingdom to obtain industrial materials and foodstuffs free of duty from Canadian and other Commonwealth sources. Preferential free entry for manufactured products from the manufacturing industries of Canada has never constituted a serious threat to United Kingdom industry but has given the Canadian producers concerned an opportunity to develop by providing them with a wider market than would be available in Canada without at the same time exposing them to the full force of foreign competition. Some 75% of the United Kingdom

exports to Canada, which are very largely in the field of manufactured products which compete with Canadian products, enter Canada at preferential rates.

In the forthcoming consultations we shall wish to take all these factors into account in the light of the long history of our intimate trading relationship. We shall also have in mind the special contractual arrangements in the Exchange of Notes of October 30, 1947 between our two Governments.

Yours sincerely,

N.A. ROBERTSON

520.

PCO

*Note du secrétaire d'État aux Affaires extérieures,
du ministre des Finances, et du ministre du Commerce
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs,
Minister of Finance, and Minister of Trade and Commerce
to Cabinet*

CABINET DOCUMENT NO. 321-61

[Ottawa], September 5, 1961

SECRET

CONSULTATIONS RE POSSIBLE UNITED KINGDOM ASSOCIATION
WITH THE EUROPEAN ECONOMIC COMMUNITY

In accordance with the Memorandum of August 22 on the above subject which was considered by Cabinet on Tuesday, August 29, the United Kingdom has now been officially advised that "representatives of the Canadian Government will be available in London for consultations from approximately September 18." It is expected that these initial consultations will last from one to two weeks.

It is recommended that the Canadian delegation to these consultations should be led by Mr. James A. Roberts, Deputy Minister of Trade and Commerce, and should include officials from the Department of External Affairs, the Department of Finance and the Department of External Affairs, the Department of Finance and the Department of Trade and Commerce.

The delegation should be guided by the position taken by Canadian Ministers at the time of the visit of Mr. Duncan Sandys, the British Secretary of State for Commonwealth Relations to Ottawa July 14 and 15 and by the Memoranda approved by Ministers in preparation for Mr. Sandys' visit. In particular, the delegation should not go beyond the position taken by Canadian Ministers on this subject on July 14 and 15 and should avoid becoming in any way a party to whatever opening positions are decided upon by the United Kingdom in their negotiations with the Six. Immediately on their return to Ottawa the delegation should submit a report to Cabinet on the results of these consultations.³⁹

[H.C. GREEN]
[D.M. FLEMING]
[GEORGE HEES]

³⁹ Approuvé par le Cabinet le 6 septembre 1961./Approved by Cabinet on September 6, 1961.

521.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], September 14, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Revenue (Mr. Nowlan),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Secretary of State (Mr. Dorion),
The Minister without Portfolio (Mr. Halpenny).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

POSSIBLE ENTRY OF UNITED KINGDOM
INTO EUROPEAN ECONOMIC COMMUNITY
(Previous reference September 6)

19. *Mr. Fulton* said it was unrealistic and unwise for the government to continue an attitude of opposition to the United Kingdom joining the European Economic Community when the British government had clearly decided to do so if possible. The government of Canada should accept the situation now and should find positive means of reducing the damage to Canada and of gaining any possible advantages. The public regarded the government's attitude as negative and defeatist. The proposal of the Leader of the Opposition that a North Atlantic trading area be established was apparently attractive to Canadians. The world was moving toward larger trading groups, and Canada should not oppose this trend.

Canadians saw no alternative for the U.K. but to join the E.E.C., and they blamed the government of Canada for constantly bleating instead of living with the times.

The government had no reason to be ashamed of its efforts to persuade the U.K. not to endeavour to enter the common market. Now, having failed in those efforts, Canada should make the most of the actual situation.

It was therefore unwise policy and unwise politics for the government to continue open and vehement opposition in the way Ministers were doing, to judge from the press reports from Accra.

20. *During the discussion* the following points were raised:

- (a) Large Canadian corporations were already sending representatives to Europe to try to gain from the U.K.'s probable entry into E.E.C. They were taking the view that the change was inevitable.
- (b) The French press was saying that President de Gaulle would not allow any derogations from the Treaty of Rome regarding the Commonwealth. Therefore, it was not certain either that the U.K. would enter the E.E.C. or that Canada could gain the adjustments it wanted.
- (c) Some one said that Canada should seriously consider joining the Organization of American States at this time.
- (d) Canada should seek to develop markets outside Europe and the United States, particularly for manufactured goods.
- (e) Representatives of eight large pulp and paper companies had waited upon the Minister of Forestry to ascertain how they might take advantage of the new situation. They took it for granted that the U.K. would join the European group.
- (f) The most likely response of manufacturers would be to open up plants in Europe. The problem of the future of Polymer Corporation Limited was exactly similar, and should be settled quickly.
- (g) Canada would be opposing history by trying to block steps which might ultimately lead to a United States of Europe.

21. *The Cabinet* agreed that the Prime Minister should be informed that it was the consensus of the Cabinet,

(a) that Canada should now accept as a *fait accompli* the United Kingdom decision to try to enter the European Economic Community, and should seek the course of action that would gain the best advantage for Canada in the new situation; and,

(b) that the government should accept the position as gracefully as possible despite its previous strong opposition, while being prepared to defend the logic of its efforts to dissuade the United Kingdom from reaching its decision.

...

522.

DEA/8490-B-40

L'ambassadeur en Italie
au secrétaire d'État aux Affaires extérieures
Ambassador in Italy
to Secretary of State for External Affairs

TELEGRAM 367

Rome, September 16, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 365 Sep 16.†

Repeat for Information: London, Paris, NATO Paris, Brussels, Hague, GATT, Tariff Del, Perm Del, Geneva, T&C London from London, Washington, Vienna, T&C Ottawa, Agriculture Ottawa, PCO Ottawa, Bank of Canada Ottawa, Finance Ottawa from Ottawa.

CECC ACCRA, SEPTEMBER 1961 – UK AND THE EEC

The entire second day of the CECC was devoted to discussion of relations between UK and EEC. It was clear from the beginning of the meetings that despite the UK's known reluctance to discuss this subject in any detail in Accra, all other delegations clearly regarded this item as the most vital and significant on the agenda. Consequently the atmosphere before

Wednesday's sessions was charged with the expectation of a full scale debate – an expectation that was realized to the full. The debate was at a very high level indeed; while all delegations showed commendable restraint their statements were expressed in the frankest and most forthright terms; they revealed accurately and vividly the very serious apprehensions, doubts and continuing uncertainties with which Commonwealth governments view the approaching negotiations between the UK and the Six. It was abundantly clear that in the opinion of almost all Commonwealth governments any agreement between the UK and the Six will have the deepest and most far-reaching implications for the future of the Commonwealth as a whole and for the trade and economic prospects of individual members. There was no repeat no indication at the conclusion of the debate of any change in the UK government's attitude but the views expressed with such obvious sincerity to this collective Commonwealth gathering may well have some impact on UK ministers.

Most delegations, except for the UK, who were naturally a little uneasy, welcomed and responded to the clear lead provided in the statements of the Canadian ministers. The Canadian statements were probably the strongest of the day but the representatives of Ghana, India, Ceylon, Australia, Nigeria and New Zealand left no repeat no doubt about the strong opposition of their governments to UK membership of the EEC. The West Indies delegation, expressing his government's view "as of now" (i.e. while still a UK dependency) took a different attitude and his statement showed that consideration is being given to the possibility of the West Indies Federation acquiring AOT (i.e. semi-colonial) status under the Treaty of Rome if the UK should join EEC. The Pakistani delegation in a statement which was unlike most of the others seemed to waver between opposition (Pakistan would prefer the UK to stay out of the EEC) and conciliation – conciliation apparently based on the assumption that UK membership of the EEC is inevitable. He said that by and large he thought the strong stand taken by the other Commonwealth governments would not repeat not provide a solution to the UK problem.

The Malayan delegation was fully aware of the political and economic implications of closer association between the UK and the Six but he hoped that expansion of the EEC would lead them to adopt a liberal outlook on trade and this he thought would benefit the UK and the Commonwealth as a whole. Cyprus and Sierra Leone, present for the first time at the CECC, associated themselves with the line taken by Canada and other members and expressed their fears about the future of their own economies and trade and for the future of the vital Commonwealth links. The Federation of Rhodesia and Nyasaland did not repeat not speak to this agenda item.

The Chancellor of the Exchequer, Mr. Lloyd, led off the discussion and quoted at length from the statement made by Prime Minister Macmillan to the House of Commons on July 31 stressing that (a) if the negotiations showed that closer UK association with Europe would injure the Commonwealth then the UK would not repeat not feel able to join the Common Market and (b) that no repeat no agreement would be entered into by the UK without House of Commons approval and until after full consultation with other Commonwealth governments. Most of the Chancellor's presentation was familiar but he said that the importance of the UK's decision to enter negotiations should not repeat not be exaggerated; the UK's position vis-à-vis the EEC countries had reached the point where the issue could be brought to a head only by a UK offer to negotiate.

The governments of the Six realized that the UK had special problems because of her Commonwealth connection which would require special provisions like those which had been worked out originally for France. The UK government would regard these special provisions as negotiable in principle and the Chancellor pointed to the recent statement by the governments of the Six in which he said they had emphasized their view of the importance of

the Commonwealth. Mr. Lloyd hoped that this sentiment would be expressed in practical terms. On the question of Commonwealth consultations he said the UK had not repeat not yet received a reply to its application to negotiate and therefore no repeat no final arrangements could be worked out; in any event it was better to leave details of these arrangements to be discussed at the talks opening September 18 in London and other Commonwealth capitals.

Mr. Hees' statement followed Mr. Lloyd's in the morning and contrasted sharply with it. It set the stage for the stimulating discussion which followed. He discussed the question under three headings (1) what benefits could the UK expect from a closer association with the Common Market? (2) The importance to Canada of maintaining her present trading arrangements with the UK; and (3) the effect which changes in the present trading arrangements between the UK and her Commonwealth partners would have on the future of the Commonwealth. The full text of Mr. Hees' statement is being sent by separate telegram. †

Mr. Fleming spoke at the afternoon session just before Mr. Lloyd's summing up. He dealt in broad and forceful terms with the important economic and political aspects of this vital question, and pointed particularly to the severe restrictions on the UK's freedom of decision and action that would result from their membership of the EEC and to the serious implications these restrictions would have for the future of the Commonwealth. He referred to the inadequacy of bilateral discussions and the need for a plenary meeting of Prime Ministers at which this question would be fully and completely discussed. The UK decision to negotiate was far reaching and it was possible they might find themselves so entangled in the negotiations that they would find it virtually impossible to withdraw. If they did withdraw the UK would suffer another diplomatic defeat and the rift in Europe would be widened.

Any agreement between the UK and the Six could not repeat not fail to weaken the Commonwealth – in the long run it might become a Commonwealth in name only. As the underdeveloped members of the Commonwealth had pointed out, UK membership of EEC would have the most serious implications for them. AOT status which had been suggested for some members of the Commonwealth was not repeat not a satisfactory arrangement and would seriously impair the political independence and integrity of the newly independent Commonwealth members.

In the Canadian view the UK had, in negotiations regarding European integration, consistently overestimated its own bargaining power (the failure of the 1958 negotiations was an example) and there were very serious doubts that the UK would be able to negotiate adequate safeguards for Commonwealth interests. Adequate safeguards could be obtained only if the present terms of the Rome Treaty were scrapped and there was no repeat no prospect of this. The UK hoped to influence the Six towards more liberal policies but the Canadian government's view was that they stood a substantially better chance of doing this if they were to remain outside the Six in close association with the Commonwealth. Similarly, it seemed to the Canadian government that the chances of achieving closer political unity in Europe would be better if the UK maintained its present world position. The UK had been a leader in the drive toward freer multilateral trade on a worldwide basis and it was certain that their example would be lost if they were to become associated with one of the regional trading blocs. The GATT and the Commonwealth with its preferential trading system both represented workable alternatives to UK membership of the EEC.

The final report of the Montreal Conference contained several very positive statements regarding maintenance of the Commonwealth preferential system and free access for Commonwealth products to the UK market. It now seemed that, a short three years later, all these statements were to be thrown out the window.

The UK claimed to be attracted by the prospect of a large market comprising some 170 million people plus the population of the UK. Even if the population of some EFTA countries

were added, the total would only be one-quarter that of the Commonwealth⁴⁰ and it could not repeat not be forgotten that the UK sells three times as much of its products to the Commonwealth as to the EEC. It was argued that access to a larger market would mean more efficient production on the part of UK industry and an improvement in the UK's competitive position in world trade. As the Australian delegation had pointed out, experience with the USA, the largest single market in the world, showed how difficult it was to achieve access into large single markets.

The Commonwealth was the only dynamic international institution which carried a message of freedom to the whole world. The newly independent nations had almost without fail freely chosen to become full members of the Commonwealth and the emergent territories showed every indication of continuing this trend. These were illustrations of the kind of organization which was meeting in Accra but the statements that had been made around the table by various countries showed clearly that it was a moot point whether all members would wish to stay in if Commonwealth relationships were to be modified on account of UK membership of the EEC. Mr. Fleming reminded the Council that Commonwealth trading relations are contractual. Commonwealth governments enjoy trade advantages in the UK market which have been bought and paid for by granting similar advantages in their home markets. If the advantages in the UK market were lost, Commonwealth governments would have no repeat no choice but to look elsewhere. This was no repeat no threat of retaliation but a simple statement of fact. It had to be recognized that world trading arrangements were made in the form of agreements to exchange advantages. If one country lost certain advantages, it was inevitable that it should seek to replace them.

There was serious concern in many Commonwealth countries including Canada about the UK's repeated reassurances with respect to trading in agricultural products, particularly in view of what was known about the EEC's common agricultural policy and the policy of the French government. It had to be recognized that the situation Commonwealth governments now had to face with respect to agriculture represented a complete reversal of the policies agreed at Montreal.

Mr. Fleming said there was real substance in the present political and economic relationships between the UK and other Commonwealth countries. It now seemed that this substance was to be exchanged for the illusory benefits of membership of the EEC. There was a great responsibility on the UK in this matter. Delegations in Accra had revealed their deep seated fears, grave forebodings and serious apprehensions but it should be remembered that these feelings were those of the UK's closest friends.

Delegations from the underdeveloped members most of whom preceded Mr. Fleming, spoke in the strongest possible terms against the suggestion that parts of the Commonwealth might assume so-called AOT status. They regarded such a move as a dangerous threat to their political independence and integrity and as a reversion to colonialism. Unless all members of the Commonwealth became associated with the EEC, it would create discrimination between different parts of the Commonwealth, which would in the long run be fatal to the Commonwealth. The Nigerian delegation said that to acquire AOT status would imply second rate membership which could not repeat not be accepted by any Commonwealth country. AOT status he said represented a serious obstacle to African unity, one of Nigeria's major policy objectives. The present AOTs of the EEC clung jealously to the economic privileges they enjoyed under the Rome Treaty and this damaged Ghana and Nigeria as well as the concept of African unity. If the UK should join the EEC without adequate safeguards for Commonwealth

⁴⁰ Note marginale :/Marginal note:

But with much higher per capita incomes. [David Wilson]

interests, Nigeria would hope that the countries of Africa would form an African Common Market to protect their own interests. The Ceylonese delegation and those of India and Ghana spoke in similar terms, the Indian delegation saying that AOT status "should not repeat not be touched with a barge pole." He made the further point that acceptance of AOT status by some Commonwealth members but not repeat not others would mean discrimination between Commonwealth members. This would have the most serious reaction in India, with results that could not repeat not be predicted. He said that in considering this aspect of the question, thought should be given to the interests of developing nations outside the Commonwealth – for instance in Latin America. He also made a plea for the removal of quantitative restrictions imposed by industrial countries against the exports of developing nations, a theme which was repeated with force by most other developing members. He and the Ceylonese delegation said they would reject AOT status out of hand if it were offered. Only the West Indies diverged from this general line on the question of AOT status, although Rhodesia was not repeat not heard from.

The Australians, and the New Zealanders to only a slightly lesser degree, took a strong stand in opposition. Both expressed the most serious apprehensions for their own economic and trade prospects and for the future of the Commonwealth. New Zealand pointed to the spirit of the Accra discussions as evidence of the vital element in the Commonwealth relationship. They were worried about the possible loss of the UK's example as a liberal trading nation and hoped that the traditional UK approach on trade matters would not repeat not be submerged in European protectionism. Mr. Holt of Australia made a telling point by referring in some detail to the many assurances given by the UK over the years and to the equally numerous changes in the UK attitude that had occurred despite these assurances. He painted a bright picture of the future prospects for the UK and the Commonwealth over the next ten years if the UK did not repeat not join the EEC, and contrasted this sharply with the prospects for Australia's trade and industry if the UK should decide to join. He stressed the disastrous effect for individual communities which depended almost entirely on the UK as an export market; there was no guarantee, he said, even if most of Australia's trade with the UK could be protected, that these communities would not repeat not be obliterated. Looked at in this way, unless all the present Commonwealth trading relationships were retained, the price to be paid for UK membership of the EEC was too high.

Mr. Lloyd summed up the discussion but again his statements revealed nothing of the UK position that was not repeat not already known. He defended the UK's past assurances and changes in attitude on the grounds that these had been forced by changing circumstances in European affairs. On the AOT question he said it never had been the intention of the UK that any Commonwealth country should take second class status. He recommended that judgment be suspended on this whole matter until the EEC's current review of AOT arrangements was completed. He said that there were a number of sections in the Treaty of Rome on which the UK would press for clarification. One of the most significant of these was the question of the political development of members of the Common Market. He thought it would be possible in the anticipated negotiations to discover very soon whether the kind of arrangement the UK had in mind was possible or not repeat not. The UK was well aware he said of the danger that some vital element might be passed over in the negotiations. He was sure that the UK's approach was the right one and did not repeat not accept that their negotiating position was weak. What was clear was that their bargaining power would be further reduced as time went by. There were strong forces in the Common Market which desired UK membership and this should not repeat not be forgotten.

Mr. Fleming and Mr. Hees suggest that the CECC communiqué⁴¹ which was in a separate message might well be tabled in the House of Commons at the earliest opportunity.

523.

DEA/12447-40

*L'ambassadeur en Autriche
au secrétaire d'État aux Affaires extérieures
Ambassador in Austria
to Secretary of State for External Affairs*

TELEGRAM 492

Vienna, September 19, 1961

CONFIDENTIAL

Repeat for Information: London, Washington, NATO Paris, Paris, Bonn, Hague, Rome, Brussels from London.

By Bag: Berne, Stockholm, Copenhagen, Oslo, Helsinki, Lisbon, Moscow from London.

UK-EEC NEGOTIATIONS: DISCUSSION BETWEEN
MR. FLEMING AND MR. BALL

Yesterday Mr. Fleming accompanied by Rasminsky and Plumtre called on Mr. Ball who was accompanied by Springsteen.

2. Mr. Fleming opened the discussion with a fairly detailed account of discussion on this subject at the Commonwealth meeting in Accra last week. He emphasized the unanimity of opposition to the UK move and the particular danger that Commonwealth countries in Africa and Asia, particularly India, might feel the Commonwealth ties greatly weakened and indeed might withdraw entirely. Contrary to press reports the position taken by Commonwealth countries in Accra was genuine and not repeat not merely a posture to strengthen their position in connection with the coming negotiations.

3. Mr. Fleming said that Commonwealth countries had the impression that Washington had given a blessing to UK membership in the Six. He referred to the recent statement of Secretary Freeman that Commonwealth preferences could not repeat not be perpetuated as a result of UK-EEC arrangements.⁴²

4. Mr. Ball said that the USA position had been somewhat misunderstood. The USA had never taken any initiative in the matter; it was the UK that had sought a USA opinion. The farthest the USA had gone in reply was to indicate that UK membership in the EEC would further European integration political and economic. However they had scrupulously refrained from pressing the UK because of her world-wide interests including the Commonwealth. The USA was willing to accept increased trade discrimination against it if but only if the objective of European integration was clearly furthered.

5. In connection with the coming negotiations the USA identified four areas of interest:

(a) As regards temperate agriculture (e.g. wheat and coarse grains) they envisaged discussions commodity by commodity on a global basis with all main suppliers included.

(b) In regard to manufactured goods (where the Commonwealth country most affected would be Canada) the USA, faced by new and important discrimination against themselves in both

⁴¹ Voir/See Nicholas Mansergh, ed., *Documents and Speeches on Commonwealth Affairs, 1952-1962* (London: Oxford University Press, 1963), pp. 650-51.

⁴² Voir/See "Common Market to Seek U.S. Pact," *New York Times*, September 8, 1961, p. 4.

UK and EEC, could not repeat not tolerate continuation of preferences granted to countries outside the area of European integration.

(c) As regards tropical products the USA had some interest on their own behalf and also an interest on behalf of "their clients" (Latin America). The right solution in this field lay in complete elimination of preferential areas and in elimination of tariffs by all industrial countries. The readjustments involved would take a long time and USA was willing to contribute funds to alleviate damage where it occurred and also to consider "income stabilization arrangements" without which the benefits of external aid might be wiped out as a result of falling prices. He referred to current discussions directed towards world free trade in coffee, cocoa, bananas, tropical oil seeds and tropical woods.

(d) In connection with the general Commonwealth system of reciprocal preferences Mr. Ball said they had not repeat not really done very much thinking.

6. While there was not repeat not much time for discussion we were able to make a number of comments including the following:

(a) Mr. Ball had, under item (d) above, indicated that he anticipated progressive narrowing in Commonwealth preferences. We pointed out that while this might merely mean increases of BP rates to MFN rates (which would presumably improve the USA competitive position in Commonwealth markets) it could also, through the unravelling of a network of trade agreements, precipitate a wide-spread increase of protectionism.

(b) The UK economic system, based on free entry of foodstuffs and raw materials, subsidized agriculture and world-wide markets, differed fundamentally from the continental system based on protected domestic markets and protected high cost agriculture. The former was much more closely in line with USA policy objectives in the commercial field. Yet the USA was in fact taking a position in regard to the coming negotiations which forced UK into the continental system rather than vice versa. In so doing USA was in effect favouring a pattern of negotiations in which, in the interests of European integration, widespread damage would be done to Commonwealth countries all over the world.

(c) The political implications of this, particularly in Asia and Africa, seemed to be ignored. Mr. Fleming particularly urged Mr. Ball to listen carefully to Mr. Desai who will be calling on him in Washington en route to Delhi.

7. In conclusion Mr. Ball suggested that Canadian officials should move to Washington soon to explore this subject "in greater depth." Mr. Fleming thanked him for the invitation but did not repeat not specifically accept. This leaves the ball in our court.

8. (At another stage in the conversation Mr. Ball suggested that the same group of officials might discuss the question of OECD assessments.)

524.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], September 26, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Trade and Commerce (Mr. Hees),
The Minister of Transport (Mr. Balcer),

The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Mr. Labarge).

COMMONWEALTH ECONOMIC CONFERENCE, ACCRA
 (Previous reference September 19)

12. *The Prime Minister* observed that the Minister of Trade and Commerce and the Minister of Finance had returned from the meetings of the Commonwealth Economic Conference in Accra. Mr. Hees had arrived in time to make a brief statement to the House of Commons yesterday and would address the House to-day, to report further on the substance of the meetings and the position he had taken. Mr. Fleming would also make a similar report. There had been a strong critical reaction to the press reports from Accra. Individuals, associations and the press, both Canadian and British, had been very outspoken. Mr. R. Fowler of the Canadian Pulp and Paper Association and Mr. E. Kierans of the Montreal and Canadian Stock Exchange were among those who had voiced such criticism. There was reason to be concerned as to what the position of the Canadian government would be should the present government in the U.K. be defeated in the next election. It would not do for Canada to be held responsible for a socialist government coming to power in Britain.

13. *During the discussion* the following points were raised,

(a) It was said that public reaction indicated that little or no attention had been paid to the political importance of the U.K. move to join the E.E.C. All that Canadians had done was to think in terms of trade. The E.E.C. was in fact a big political European bloc. The British thought that once they were in it they would be able to influence its direction. There was little chance of that. Furthermore, once they became a part of it they would be unable to continue as head of the Commonwealth. The British move was a political one, and much more fundamental than trade. The reaction of the Commonwealth ministers at the Conference might possibly stop the U.K. from joining the E.E.C.

(b) It was felt Canada could not overlook the disastrous effect on Canadian trade that would follow the U.K.'s joining the Common Market. There was no alternative to the Commonwealth preference system that would not destroy a large segment of Canadian industry and create widespread unemployment particularly in the manufacturing industries.

(c) Some said the Canadian representatives at the Commonwealth Economic Conference had gone beyond their terms of reference. On the other hand, it was argued that they had introduced nothing new. The line taken was that approved by Cabinet and the points made were the same as had been expressed at the earlier meeting with the Honourable Duncan

Sandys on his visit to Ottawa. Britain came out of the Commonwealth Conference with flying colours. It had been a blunder, however, to have sent individual Ministers on separate missions to the Commonwealth countries. Mr. Selwyn Lloyd had admitted this in confidence. Only when the Commonwealth countries got together were they able to compare notes. All spoke out strongly, especially India which claimed that the only tangible Commonwealth bonds were trade and tariffs. Canada's statements had been no stronger than those of other countries.

(d) Although it had been reported that the Indian delegate had been the only reasonable spokesman, this view was completely false. He had sent a note congratulating the Canadian Minister of Finance after his speech for his excellent presentation "in defence of the Commonwealth which is in danger of disappearing."

(e) It must be realized that the background of a number of the Commonwealth countries was not like Canada's. Their link with Britain had little of the racial and sentimental attachments. Only the Commonwealth kept them united.

(f) Some felt that the press reports had been false, inaccurate half-truths, full of misunderstanding and misrepresentation. Nevertheless, the impression was abroad that Canada had given Britain but two alternatives – in or out – and had been anti-British.

(g) On the other hand, Mr. Selwyn Lloyd himself had said that the views expressed would help Britain in her negotiations with the Six. Mr. Martinelli of Italy had expressed the view subsequently that, if the Six really wanted Britain in, they would now know that greater concessions would be required than had been granted other members.

14. *The Prime Minister* said he would be speaking in British Columbia this week and wished to be in possession of all the facts and arguments of Canada's case.

15. *The Cabinet,*

(a) noted that the Minister of Finance and the Minister of Trade and Commerce intended reporting to the House of Commons on the Commonwealth Economic Ministers' Conference in Accra, and agreed that the reports should be factual and handled with discretion, as should any statement on the subject made outside; and,

(b) also noted that the Prime Minister would be speaking on the subject in British Columbia this week.

...

525.

D.M.F./Vol. 135

*Note du ministère des Finances
pour le ministre des Finances*

*Memorandum from Department of Finance
to Minister of Finance*

SECRET

[Ottawa], September 26, 1961

During the last ten days I have not had time to put down some thoughts that have been very much to the forefront in my own consideration of the results of the CECC meetings in Accra. I believe that a number of developments may be anticipated in the wake of our deliberations at Accra, all of which are urgent and all of which I believe we should prepare positions on.

If our position at Accra was correct in its analysis of the situation, it would seem that we could expect serious political repercussions within the United Kingdom. Moreover, we can fully anticipate that the developments in regard to European trading arrangements will come to the forefront politically at home. The Leader of the Opposition has made no secret of the fact that he intends to challenge the Government's position in regard to the United Kingdom

decision to seek membership in the EEC, and in a way designed to make it a major political issue.

We can, I think, anticipate three possible results from the Brussels negotiations which open very shortly. The first is that the United Kingdom, partly as a result of Accra, and partly as a result of the position which is being taken by the United States in regard to any arrangements that might be made by the United Kingdom to safeguard Commonwealth interests, might find it expedient to seek a way out of the negotiations immediately. The second is that the United Kingdom will swiftly find it has reached an impasse in the negotiations in terms of its commitment to protect Commonwealth interests. The third is that the United Kingdom will reach a basic position in the negotiations satisfactory to itself and which it believes will enable it to occupy a tenable position in regard to its commitment to protect Commonwealth interests but which we will find (and probably most other Commonwealth countries) unacceptable.

In the event of either of the first two developments occurring, it will mean a complete failure of the United Kingdom initiative. I believe we have to recognize the possible damage which may occur to political relationships within the Commonwealth, to international relations generally, and to the domestic political position of the Government. I think one may anticipate with certainty that in the event of either of the first two possibilities materializing there will be very strong pressures upon Canada by the United Kingdom to provide assistance in finding alternative solutions to her economic and political problems. I think your interview with the group of senior United Kingdom correspondents in Vienna is ample evidence of this.⁴³

In stressing the dangers which may lie ahead in the event of a collapse of the negotiations, either by the free-will choice of the United Kingdom or by arrival at an impasse, we must also consider the consequences for the political cohesion of the free world.

Of particular concern is the position taken by the United States that under no circumstances may the Commonwealth preferential system be carried over into an enlarged European grouping. When one sets this position side by side with Mr. Macmillan's commitments, it becomes difficult in the extreme to believe that any negotiation could arrive at a realistic solution which would embrace Commonwealth interests. At the same time, I would suggest, the United States' position enlarges the dangers of the realization of the third possibility outlined above, that is, a rapprochement between the United Kingdom and the Continent in which, in fact, Commonwealth interests were not protected or at least not sufficiently protected to enable their domestic political rationalization in each of the Commonwealth countries concerned.

It is quite apparent that the United Kingdom Government has staked its political future on this initiative. There seems to be general agreement that failure would be interpreted as a political defeat in the United Kingdom and would give offence to the Six, perhaps irreparable offence.

It is entirely possible that within the month we will see a situation materialize very akin to that obtaining following the breakdown in December 1958 of the free trade area negotiations. This seems the more likely, as the one really strong hope of exercising leverage on the Six to accept an adequate measure of protection for Commonwealth interests, particularly on Paris, was the United States.

If there is to be no resolution of the division in Europe along the lines contemplated in the United Kingdom initiative, and I take it that there cannot be any such resolution which would be satisfactory to us, and if one can foresee a hiatus such as developed in December 1958, then

⁴³ Il a été impossible de trouver des versions publiées de ces entretiens.
Published versions of these interviews could not be located.

I think we should consider now what the possibilities are for a major new Canadian initiative designed as an assault upon the EEC barriers on a multilateral basis which would be of benefit to ourselves, to the UK, to the US, and to the primary producers of the Commonwealth and elsewhere.

Such an initiative could not, of course, be contemplated without its major burden being borne by the United States. Yet if the United States could be made to realize the broad international dangers which lie in the present course, particularly in Asia and Africa, can we discard in advance the possibility that the United States might be prepared to undertake such a drive on Common Market barriers? This leads me quite naturally to raise the question as to whether such an initiative should not be considered in advance of the further conversations on the United Kingdom-EEC which are contemplated with Mr. Dillon and Mr. Ball in Washington. Certainly it would seem that it is unlikely that such further conversations will yield much change in the position of the United States in regard to the preferential system unless Washington can be made to see a larger reason for taking a broader view of European trading arrangements.

It would seem to me to be possible that a situation will develop very shortly in which a new initiative such as I have outlined might be both possible and desirable. In addition to the reasons I have given above, I would cite the fact that the United States is coming up in the new year to the whole problem of revamping its tariff and the difficulty of a multilateral reduction in import duties and other barriers to trade, such as would be involved in a new initiative, will undoubtedly increase in this atmosphere.

What I have in mind for a new initiative resembles somewhat the North Atlantic free trade area but would seek to avoid any abrupt adjustment over the whole range of the tariff and would further seek to bring an accommodation in Europe and between Europe and North America on a multilateral basis, embracing not only a general agreement on tropical products and some industrial materials but also a freeing of trade in manufactured goods. The price to be contributed by the Common Market would be an accelerated multilateral reduction in its external tariff and a more liberal approach to agricultural trade. The price the United States would have to pay would be a somewhat equivalent reduction in its general barriers to both primary and processed goods and the price which we, and others in the Commonwealth would have to pay, would be some reduction in the margin of preference by cuts in the MFN rate.

While this possibility has serious political and economic implications in Canada, against it we must stack the equally difficult problems which could arise in Europe if the United Kingdom decision to join the Common Market matures – disadvantages not only in terms of loss of markets but in terms of reverse preferences.

For such a new initiative we can mark advantages both political and economic. There can be no doubt after Accra that such an initiative, were it to lead to multilateral reduction in trade barriers, would find wide acceptance in the under-developed countries of the Commonwealth and, we may suppose, among under-developed countries generally. Moreover, the tone of discussion at Accra leads one to believe that such an initiative on the part of Canada would strengthen the quality of our leadership in the Commonwealth. I need hardly add that an initiative directed to the release of new energies in Europe and North America designed to move the world economy further on the road to a freer system of trade and payments, would obviate many of the political vicissitudes which can be foreseen at home in Canada.

I put these thoughts before you because I feel very strongly that in the light of the United States' position the situation in Europe can deteriorate very rapidly with adverse consequence to us all. If we are to be realistic, I think, we must face the fact that if the United Kingdom initiative fails, some new alternative solution will have to be found if Commonwealth cohesion is to be preserved and if our own commercial self-interest is to be protected.

GREY HAMILTON

526.

DEA/12447-40

*L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Belgium
to Secretary of State for External Affairs*

TELEGRAM 679

Brussels, September 27, 1961

UNCLASSIFIED. PRIORITY.

Repeat for Information: London, Paris, NATO Paris, Bonn, Hague, Geneva, Tariff Del from Paris, Rome from Geneva, T&C Ottawa from Ottawa, Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa, Agriculture Ottawa from Ottawa.

UK AND EEC

The fifty secondth session of EEC Council of Ministers ended this afternoon and the Press Communiqué has just been made available. We shall report in detail by telegram tomorrow. Following is substance of decisions in regard to UK application for membership in the community.

2. The Council approved the text of the Community's reply to Britain's request for membership. The President of the Council, Professor Erhardt, submitted the Community's reply to Ambassador Tandy, Head of UK Mission to European Communities. The text will be published simultaneously in London and Brussels presumably later this week.⁴⁴

3. The Council proposed that a meeting be held in Paris on the tenth and perhaps the eleventh of October in the course of which Britain will outline in greater detail than heretofore what she meant by "safeguarding the interests of Commonwealth, EFTA and UK agriculture." Negotiations would begin some time in the first half of November and would take place in Brussels.

527.

DEA/12447-40

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

TELEGRAM 3048

Washington, September 28, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. PRIORITY.

Reference: Your Tel E-1955 Sep 29.†[sic]

⁴⁴ Voir *Bulletin de la Communauté économique européenne*, n° 9/10 (Septembre/Octobre 1961), p. 6. See *Bulletin of the European Economic Community*, No. 9-10 (September-October 1961), pp. 7-8.

Repeat for Information: T&C Ottawa, London, Paris, NATO Paris (Priority), Rome, Brussels, Hague, Geneva, Tariff Del, Bonn (Priority) from Ottawa, Finance Ottawa, Bank of Canada Ottawa, PCO Ottawa (Priority) from Ottawa.

BRITAIN-EEC: USA ATTITUDE

We had a long talk with Schaetzel, Special Assistant to Under Secretary Ball (State Department). He told us that he had been briefed fully on Ball's talk with Mr. Fleming in Vienna and referred to USA invitation to Canadian ministers or officials for a meeting in Washington in the near future. Schaetzel, who is now working almost full time on UK-EEC matters (and who had just returned from talks in London and Brussels) said that Ball was concerned about the developing split between Canadian and USA views and felt that an early high level meeting was desirable.⁴⁵ He went on to review USA position in some detail and to suggest lines of approach which he thought would be most fruitful for such a meeting. You will appreciate that his comments were made on a purely personal and informal basis.

2. Schaetzel said that Ball wished to dispel any impression that may have been gained that USA had encouraged UK to make this move. From the beginning USA fully realized this was a matter of "fundamental national importance" for UK and had stressed that the decision was for UK alone to make. In any event, the decision had now been made by UK and there was little point in going over old ground.

3. Ball had been particularly surprised by the emphasis placed by Mr. Fleming on the political implications of UK move for Commonwealth as a whole. USA had never underestimated the magnitude of the trade and economic difficulties which UK move into Europe would raise for other countries and particularly for Canada. However, they had not repeat not considered that it would raise any major political problems for Commonwealth. USA understood that it had been the generally accepted view among Commonwealth countries in recent years that tariff preferences were gradually losing their significance and that the strength of Commonwealth relations lay increasingly in other than commercial bonds (e.g. historical, sentimental, educational, etc.). They also understood that UK ministers and officials had carefully and responsibly weighed the implications of UK decision and they did not repeat not seem to have the kind of concerns about the weakening of the Commonwealth that Canadian representatives had expressed. If there were any danger of UK move weakening Commonwealth it was surely more because of the political and supranational aspects of the Rome Treaty than because of the Common Tariff. However, if it were the case that British adherence would have this effect then the only way of preserving Commonwealth would be to prevent UK from joining EEC. But events had moved too far for this to be more than an academic question.

4. Schaetzel developed at some length the rationale of USA attitude. USA saw EEC as a dynamic going concern of great political and economic significance. The entry of UK would make a major contribution to strengthening EEC, Europe and the free world. USA viewed this development as a first step towards something much wider but as yet undefined which would develop gradually over the years and would result in increasingly closer bonds among the Western countries and, indeed, among the countries of the free world.

5. USA questioned the importance of the economic underpinning as essential to Commonwealth. They would be interested in having a fuller exposition of Canadian assessment, and of the political and economic factors involved in Commonwealth relationship to which we attached importance. Schaetzel recognized, however, that the issues at stake involved political judgments in the final analysis.

⁴⁵ Aucune réunion semblable n'a eu lieu./No such meeting was held.

6. UK move into EEC, Schaetzel continued, would involve UK acceptance of a common tariff and a common agricultural policy. This would require sacrifices by all concerned and he readily agreed that the cost to Canada might be greater than the cost to USA. However, to attempt to “blur” this association by making special exceptions and retaining preferences on a permanent basis would alter the nature of the British move and turn it into a mere economic arrangement in which USA interests would be doubly affected without compensating political benefits. USA could not repeat not be expected to accept such a development and would be under pressure to react strongly. Schaetzel characterized attempts to preserve preferential access as a permanent feature of the new arrangements as “backward looking” and not repeat not in tune with the times.

7. USA recognized that lengthy transitional arrangements would need to be worked out to cushion the impact of UK-EEC merger and Schaetzel felt this was an area in which USA authorities would wish to have full and detailed consultations with Canada to ensure that Canadian and USA interests were safeguarded. Looking beyond the transitional period there was the basic question of the shape which UK-EEC merger should take and in addition what should be the broad long term strategy for the major Western countries. Canada and USA had strong common interests in lowering the common tariff, liberalizing the common agricultural policy and seeking to turn the new European grouping into a major force for freer world trade. OECD could play an important role in this regard. He felt this could be the most fruitful avenue of approach for Canadian-USA discussions.

8. Schaetzel doubted that USA could be induced to change its basic attitude. He knew that Ball had been criticized as being unduly pro-Six because of his past associations. However Schaetzel sought to assure us that USA position on UK-EEC had received the most extensive consideration and the personal attention of the Secretary of State and the President.⁴⁶

[A.D.P.] HEENEY

528.

PCO

Note pour le Cabinet
Memorandum to Cabinet

CABINET DOCUMENT NO. 365-61

[London], September 29, 1961

SECRET

REPORT ON CONSULTATIONS WITH THE UNITED KINGDOM
CONCERNING THE PROPOSED NEGOTIATIONS FOR U.K. MEMBERSHIP
IN THE EUROPEAN ECONOMIC COMMUNITY

Introduction

On September 6th authority was given for a delegation of officials, led by Mr. J.A. Roberts, Deputy Minister of Trade and Commerce, to proceed to London for consultations concerning the possible association of Great Britain with the European Economic Community. The delegation was to be guided by the position taken by Canadian Ministers during the July talks with Mr. Duncan Sandys and was to avoid involvement which might in any way prove prejudicial to Canadian interests.

⁴⁶ Note marginale :/Marginal note:
Seen by P.M. [H.B.] R[obinson]

Despite considerable pressure from the United Kingdom side to adopt a more “forthcoming” and “constructive” attitude, the delegation maintained that their mandate did not go beyond ascertaining, in the light of the assurances which had been given by British Ministers, what measures the United Kingdom proposed to ensure that damage to essential Canadian interests would be avoided in the event of U.K. membership in the E.E.C. The delegation set forth the Canadian interest in all items marketed, or which might be marketed, in the United Kingdom and refused to accept the suggestion that priorities should be established. The delegation indicated the ways in which the various suggestions advanced by United Kingdom officials would fall short of maintaining the present and prospective Canadian place in the U.K. market, but otherwise refrained from commenting on them.

In summary, the conclusion of the delegation is that even if the different U.K. proposals for safeguarding Canadian interest were negotiable in their entirety (which seems highly unlikely), the resultant situation would leave Canada considerably worse off in the U.K. market, and that any offsetting advantages in the enlarged market as a whole would, except in the field of raw materials, do little to close the gap. The delegation wishes to suggest that, in the light of this conclusion, authority be given for a thorough review of all factors relevant to the development of Canadian commercial policy in the current situation of prospective change in trade relationships. It is suggested that such a review would be timely and should cover steps which might be taken to advance the Canadian position in the months immediately ahead as well as possible longer term adjustments of, or alternatives to, the present pattern of Canadian trade relations.

General United Kingdom Attitude

The following main points emerged from the consultations:

(1) The United Kingdom is determined to embark on negotiations with the E.E.C. and if at all possible to bring them to a successful conclusion.

(2) The United Kingdom concept of safeguarding Canadian interests is in part conditioned by what it considers to be acceptable to the Community and fails to take full account of the breadth and depth of Canada’s present and prospective stake in the U.K. market.

(3) There is no question of the exclusion of agriculture from the negotiations or of the maintenance of Commonwealth preference and free entry across the board. The United Kingdom accepts the implications of applying the type of common agricultural policy evolving under the Treaty of Rome, including the substitution of a variable levy (which would equalize imported and domestic prices) for the present free entry of a number of important Commonwealth agricultural products, including wheat and barley. The United Kingdom also accepts that the non-preferential common tariff of the E.E.C. will apply to imports into the U.K. from Commonwealth countries, subject only to limited and for the most part temporary exceptions for a select group of products where tariff free or preferential quotas might be negotiated for the transitional period, (the years provided for in the Rome Treaty during which the national units adjust their systems and practices to conform to the full obligations of the Treaty applicable in the definitive period).

(4) In the U.K. view Canada should not measure its prospective position in relation to a common market which would include the U.K. with its present largely free and unrestricted access to the British market. The U.K. argues that, in the face of mounting Exchequer costs and disruptive market conditions (butter and barley) the present U.K. system of agricultural price support and trade would in any event have to change in the direction of limiting duty free imports from the Commonwealth. Moreover, they hold that because of growing pressure on the U.K. market of certain Commonwealth manufactured goods, the present degree of free entry in this sector could also be expected to narrow in any event in future years.

(5) The United Kingdom does not appear to be entering the negotiations with any established minimum position as regards Commonwealth interests, but intends, rather, to explore what may prove possible to negotiate. Its very general objective is to secure arrangements which, although involving changes in access to the U.K. market, would, for some selected products of particular concern to the Commonwealth producers, give opportunity for "comparable outlets" either in the U.K. or in the enlarged Community. Such arrangements would vary from commodity depending on the problems involved.

(6) Barring the necessary procedural and constitutional amendments occasioned by its membership the U.K. intends to accept the chief provisions of the Rome Treaty almost as they stand. It is considered, however, that the Treaty is sufficiently flexible to permit necessary special arrangements and derogations being handled through Protocols. In its opening position the U.K. is anxious not to appear to be upsetting the balance established through the existing Treaty provisions.

(7) The United Kingdom believes that its objectives in the negotiations can be secured if there is a genuine desire for British membership in the Community and the necessary political will is present. The Canadian delegation considers that the U.K. may have again overestimated both its bargaining power and the willingness of the Six to agree to substantial derogations from the content of the Treaty of Rome, however such derogations may be disguised.

(8) It has been agreed with the E.E.C. that the negotiations will be opened in the first half of October. The United Kingdom envisages a first phase in which the objective would be to sweeten the atmosphere and to ascertain in general terms whether there would be a willingness to cooperate in finding solutions to Commonwealth difficulties and the other principal U.K. pre-occupations. The more detailed phase would follow and might last through 1962. This approach may not prove acceptable to the French who may wish to probe the United Kingdom position deeply from the outset.

(9) The U.K. thinks that the Commonwealth problems may be the most difficult in the negotiations. They propose to put them into the ring early on in general terms. Thus Commonwealth difficulties could become the touchstone of success or failure. This has many implications for the Canadian position, including what might be asked of Canada in the event of breakdown.

U.K. Suggestions for the "Safeguarding" of Canadian Interests

In general, the U.K. seems to be thinking of possible special measures only to deal with items of large statistical importance in Canada's trade. It appears to have ignored, or not to have thought of, the problems occasioned by loss of free entry or preference for the many smaller items which together are of significance to Canada in terms of the totals involved, or singly are of critical importance to particular industries or localities. There was a tendency on the U.K. side to discount Canadian interest in many miscellaneous export items on grounds that the amounts were insignificant or that factors other than the preference determined import sources. For some items, such as coarse grains, an attempt was made to argue that normal growth of demand in the E.E.C. market should be accepted as an offset to any decline in Canadian sales resulting from the loss of preference and free entry in the U.K. Thus, in the concept of "comparable outlets," the U.K. side tends to take credit for any favourable developments which could be expected, whether or not Britain joined. The U.K. has apparently given little attention to the problem of loss of preference against outside suppliers such as the U.S. and the Argentine. In the case of a number of manufactures and a few agricultural products, including soya beans and soya bean products, failure to maintain the preference could mean complete loss of the market. Moreover the U.K. has not suggested ways to compensate for loss of preference vis-à-vis outside suppliers when the common tariff is to be at

zero. This situation arises notably for synthetic rubber, hardwood, steel ingots, oil seeds and oil seed products.

The following are the types of measures suggested by the U.K. for the protection of essential Canadian interests:

(1) "Assured right of entry for traditional quantities" – offered for wheat and barley, apples and cheese.

This is not an assurance of continued sales, but an exception to the expected common policy rules, whereby sales of our wheat and barley would not be restricted up to traditional quantities (sales in a base period) should the Community decide that import licensing should be suspended. This is suggested by the U.K. as a transitional arrangement; other forms of assurance of access suitable for the definitive period would be worked out later; the principle might, however, be settled in the current negotiations.

(2) "Transitional tariff or levy free quotas for the U.K. market" – e.g. canned salmon, and possibly tobacco, some canned fruits and a few manufactures, where a case of special interest could be made out.

These quotas would be exceptional and probably would expire at the end of the transitional period. They would be based on previous sales and would, therefore, not take account of growth potential. Moreover, because of the impact of quantitative restrictions in recent years quotas based on import performance would understate Canada's true export position in the United Kingdom market. A quota solution would, of course, make no provision for new Canadian products which would have been marketable in the U.K. had free, preferential entry been maintained.

(3) "Reduction of the Common tariff to zero or a very low rate on some raw materials" – e.g. aluminium, pulp, newsprint, lead and zinc. If this were not successful, the U.K. suggested as an alternative the establishment of duty-free quotas which might be carried into the "definitive" Treaty period.

(4) "Some reduction of high common tariff rates" – e.g. a variety of items in the field of manufactures and food products.

(5) "The U.K.'s liberal influence in the determination of common agricultural policies" – e.g. the U.K. would work for lower rather than higher price support levels in the Community and would seek to avoid the adoption of measures other than the variable levy which would give additional preference to internal producers.

(6) Possible evolution of new or revised international arrangements for particular commodities – e.g. apples, butter, etc.

(7) A longer transitional period for particularly difficult items to the extent negotiable with the Six.

Appraisal

In Annex II to this report† will be found a detailed preliminary analysis of Canadian exports to the U.K. by sectors and an appraisal of the ideas suggested by the U.K. for the protection of certain of our export interests. In general it can be said that "guaranteed right of access" would be of limited value provided our competitive position was unchanged vis-à-vis other suppliers both inside and outside the enlarged Common Market. As indicated in the cereals section of Annex II (to which special attention is directed), this is unlikely to be the case. The fact that even this limited assurance would be subject to re-negotiation at the end of the transitional period is an indication of how low the U.K. has set its Commonwealth sights in the cereals field.

Transitional tariff free quotas would ease the adjustment or prolong the agony, depending on one's point of view. The fact that this preferred access would in all probability not extend beyond the transitional period makes it self-evident that Canadian long term interests would not be safeguarded.

Elimination of the common tariff on pulp and newsprint, aluminium, aluminium alloys and lead and zinc would be most welcome. But this objective may prove unobtainable, at least as regards aluminium and lead and zinc because of continental protective pressures.

The U.K.'s hope of securing reductions in many high common tariff rates will depend in the first instance on the system to be worked out for the establishment of the Common tariff around the enlarged E.E.C. area. (The U.K. has not revealed its detailed thinking on this issue beyond indicating a hope that, on the whole, the tariff could be reduced, expressing the view that mathematical averaging would not be followed, saying that some account would have to be taken of the amount of trade which comes in free from the Commonwealth and indicating that the U.K. would not be trying to carry into the common tariff the peaks of its m.f.n. tariffs for manufactures.) In connection with U.K. hopes to secure a generally lower common tariff it is relevant that the U.K. m.f.n. tariff is higher for many products than the presently proposed E.E.C. tariff and that there may be a genuine reluctance on the part of E.E.C. to accept further downward adjustments in the common tariff until fuller reciprocity can be obtained from the U.S.A.

U.K. ideas about new or revised commodity arrangements are too nebulous to evaluate in their present form.

Finally it should be recalled that the various proposals of the U.K. cover only a few products, are limited in time and, in any event, uncertain of acceptance in the negotiations. The conclusion is inevitable that what the U.K. has in mind, even if wholly accepted by the Six, would fall well short of meeting even minimum Canadian essential interests, much less of protection the total of our present position in the United Kingdom market.

As an aid to understanding the nature of the Canadian stake in the U.K. market reference might be made to Annex I of this report† which indicates the extent of our free entry, the amount of trade moving with and without preference, the amount of trade which would be unaffected as a result of U.K. adherence to the E.E.C. and the amount of trade which in greater or lesser degree would be adversely affected.

Of our total exports to the U.K. in 1960, about 28.5 per cent would not be harmed by U.K. adherence, and approximately 71.5 per cent would suffer some adverse change in terms of access. If the U.K. were able to secure free entry for aluminium, pulp, newsprint, and lead and zinc these percentages would become approximately 50 per cent and 50 per cent. If, through the G.A.T.T. negotiations, the International Wheat Agreement or the U.K. negotiations with the Six, the position of our wheat and flour in the U.K. market could also be assured, the percentages would become 67 per cent in the "no problem" category and 33 per cent in the other.

A qualitative as well as quantitative examination of the products for which Canadian terms of access would be adversely affected is required before a proper evaluation can be made of the trade impact of loss of preference in the U.K. market. Moreover, in attempting to judge the possible effect on the Canadian economy as a whole, it would be necessary to examine the extent to which the U.K. market was itself of critical or non-critical importance to the companies concerned. From the trade point of view, allowance would also have to be made for off-setting export gains in the E.E.C. should success attend efforts of the U.K. to secure the elimination of tariffs on aluminium, pulp, newsprint and lead and zinc and other significant reductions in the common tariff. In addition there are all the other factors which must be taken

into account in assessing Canada's future trade prospects, including trade relationships with the United States and other important markets for Canadian exports.

Summary and Recommendation

The delegation is of the view that the measures proposed by the United Kingdom to safeguard essential Commonwealth interests, even if fully acceptable to the E.E.C., would fail to protect, or to provide acceptable alternatives to, Canada's present position in the United Kingdom market. In the light of this conclusion the delegation suggests that departments concerned be instructed to co-operate in the examination of the situation revealed in this report and to consider possible courses of action which might be recommended as appropriate to the changing situation for Canadian trade both in the months ahead and in the longer term.

JAMES A. ROBERTS

529.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], October 5, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Secretary of State (Mr. Dorion).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Dr. Hodgson) (Mr. Watters).

...

POSSIBLE UNITED KINGDOM ENTRY INTO COMMON MARKET
 (Previous reference September 14)

3. *The Minister of Trade and Commerce* said that the Canadian delegation had made its report on consultations in London on the possible association of the United Kingdom with the European Economic Community. This report, which should retain its classification as "Secret," confirmed clearly that the U.K. had definitely decided to try to join the Common Market.

An explanatory memorandum had been circulated, (Report, Chairman, Canadian delegation with the United Kingdom on the European Economic Community, Sept. 29 – Cab. Doc. 365-61).

4. *Mr. Hees* proposed that an interdepartmental committee be established to examine the implications of the various possible alternative future patterns of international trade in which Canada might participate. These alternatives might include the possibility that Canada might join the Common Market, the Organization of American States or an Atlantic Community.

5. *The Prime Minister* said that, on this day, he had met with Lord Amory who had stated that there was no foundation for the criticism that had been levelled against the Canadian Ministers for their alleged statements at the Accra conference. His first impression of Lord Amory had been very favourable.

6. *The Cabinet* agreed with the recommendation of the Minister of Trade and Commerce that an Interdepartmental Committee comprising senior representatives of the Departments of Trade and Commerce, External Affairs, Finance and Agriculture be established, –

(a) to examine the situation revealed in the report of the Canadian officials who had consulted with U.K. representatives on the terms of possible U.K. entry into the Common Market; and,

(b) to consider and report upon the implications, for all sectors of the Canadian economy, of the prospective changes in trade relations and various possible courses of action for Canada in trade policy over the long term, including among others the implications for Canada of joining the Common Market, the Organization of American States or an Atlantic Community.

...

530.

DEA/12447-40

Note du haut-commissaire au Royaume-Uni
Memorandum by High Commissioner in United Kingdom

CONFIDENTIAL

[London], October 13, 1961

CONVERSATION WITH THE HON. D.M. FLEMING,
MINISTER OF FINANCE, OTTAWA, AT 11.45 P.M. (BST),
THURSDAY, OCTOBER 12TH, 1961

I explained to Mr. Fleming that the High Commissioners have been invited to attend a meeting at the Commonwealth Relations Office at 12 noon today, October 13th. I mentioned to him that on the basis of previous meetings it seemed certain that we would get no information in addition to what we already have from the summary of Heath's speech in Paris, the press reports and other sources of information. I told him that the reason I was calling was that I would like to know if, unknown to me, any further details had been transmitted to the Canadian Government which would explain what the British Government really means by "protecting the interests of the Commonwealth."

2. Mr. Fleming said that nothing further had been received and that there was still no clear understanding of their intention. He said that when Sandys was in Ottawa he did run down a list of the things that we are selling to Britain. He expressed the idea that these sales in most cases would not be too seriously affected. He mentioned that the British housewife had been accustomed to the type of bread made by Canadian hard wheat and that with many other things of that kind it would seem that the market would continue on the basis of traditional trade channels. He did not make any assessment of what trade would be preserved, nor was he specific at any point.

3. Mr. Fleming said that at Accra what had led to the expression of anger by Selwyn Lloyd was the discussion as to what had been said at Ottawa. When Lloyd made the statement that the trade of the Commonwealth would not be adversely affected, Hees interjected that when

their officials had examined the list of those things which Sandys had mentioned, it was apparent that 60% of our export products to Britain would be detrimentally affected. This did not mean a 60% loss, but that in a value of 60% of our present trade there would be a positive detrimental effect.

4. Lloyd became very angry and said that Hees had no right to mention this because Sandys' statement had been made in confidence at a closed meeting in Ottawa. It was immediately pointed out to him that they were speaking in a closed meeting at Accra, and what did emerge was that the representatives of the British Government who had gone to different countries had not told the same story. As the representatives of the different countries exchanged their views, this became increasingly apparent and was the background of the very strong statement which was prepared.

5. Mr. Fleming said our position is clear; "we want *all* our rights reserved. We look to them to make good their assurance."

6. Then, referring to the suggestion that Canadians should send two observers to Brussels to join the British negotiating team, he said that we have no intention of doing this because that would then by inference be accepting this method and it could be said that we had been there and had not objected to what was being done. His words were: "We intend to pass the ball back to them."

7. He then said the Australians seemed disposed at first to send observers, but that he is not sure yet what they are going to do.

8. Referring to a clipping from the *Sunday Telegraph* of last Sunday (October 8th) which I had sent to him that day, Mr. Fleming expressed considerable annoyance at the attitude being displayed by the British newspapers and British officials to the effect that Canada is acting in a manner which indicates a lack of support for the British position. He said: "I wonder if they forgot that we put up 75 million pounds two months ago to support the British pound." He referred to the payment by Canada to the I.M.F. in regard to which there was no obligation and Canada itself voluntarily fixed that substantial figure as their contribution to the support of the British economy.

G.A. D[REW]

531.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au ministre des Finances*

*High Commissioner in United Kingdom
to Minister of Finance*

TELEGRAM 3707

London, October 13, 1961

SECRET, CANADIAN EYES ONLY. OPIMMEDIATE.

For immediate personal delivery – no repeat no other distribution.

UK ENTRY INTO COMMON MARKET

As I informed you last night, I went to CRO at noon today with other High Commissioners, at invitation of Sandys. Purpose of meeting was for Heath to explain position taken by Britain in the Paris talks.

2. Prior to meeting I had discussion with Sir Eric Harrison, Australian High Commissioner, as result of which he made request at opening of meeting that we be given full text of Heath's

speech in Paris.⁴⁷ I was wrong when I told you last night we had full text of Heath's Paris speech. I had misunderstood message received earlier which said we had full text of his speech. This in fact referred to his speech at Brighton.

3. Heath explained that he did not repeat not think it would be proper to give full text because meeting in Paris was on very confidential basis, and it had been understood that any papers prepared for that meeting would not repeat not be distributed either by British representatives or the members of the Six. Harrison pointed out that it was not repeat not much use having a meeting of this kind if we were only to have a summary of one part of the speech as it was known that prepared texts had been the basis of the discussion in Paris. He did go on to say that he had noticed a good deal more in the press reports than had been available to us in the draft presented.

4. Heath said that this was one of the very reasons that he did not repeat not think they should give the text. He referred to a report in *London Times* today from their Paris correspondent saying that Commonwealth ambassadors were dissatisfied with the information they had received from Heath when he met them together after the meeting there. He said this was quite untrue, and that there had been a general expression of satisfaction with the information given. While our own ambassador in his telegram to Ottawa did not repeat not express dissatisfaction, he certainly indicated that no repeat no real information had been given.

5. I followed Harrison by pointing out that unless we had the full text and knew the context within which the statements regarding Commonwealth, summarized in the document forwarded to you, had been made, then it was impossible to form any very clear opinion of the basis on which Commonwealth might expect their problems to be dealt with. It also left us without any information as to the extent to which Heath had indicated to the representatives of the Six that the rights of Commonwealth should be preserved.

6. Other High Commissioners indicated their support of the demand for the full text, and it seemed that every representative there held the same opinion, although there was of course no repeat no formal record.

7. Sandys, who was acting as Chairman, then took this up and said that in their opinion it would be creating a dangerous precedent if this text were circulated, because in the coming negotiations beginning on November 8 it would be necessary to exchange many papers on various detailed points. Harrison expressed the opinion that it would be a dangerous precedent not repeat not to have it, because we would know so little of the real effect of the summary we had received and of the basis on which Britain is approaching the negotiations.

8. In the strictest confidence, and I think it should not repeat not be passed on to Australia either through their representative in Ottawa or otherwise at this time, Harrison informed me that he is sending a telegram to Menzies urging him to make a direct request to Macmillan for the production of the full text of Heath's speech as the only possible basis for further discussion of this subject. I mention this because I thought you might consider it advisable to discuss this with Prime Minister in view of my impression from our conversation last night that you believe we should have the full text. You might wish to suggest to Prime Minister that a similar message be sent from Ottawa.

9. I shall write to you tomorrow in further detail, but I wanted you to have this information immediately because I did give you the impression last night that we had received the full text. It seems strange to me that Commonwealth governments should be denied the opportunity to

⁴⁷ Voir/See The United Kingdom and the European Economic Community: Text of the Statement made by the Lord Privy Seal at the Meeting with Ministers of Member States of the European Economic Community at Paris on October 10, 1961. United Kingdom, Parliamentary Paper, Cmnd. 1565 (London: Her Majesty's Stationery Office, 1961).

see this basic statement of British intentions and then be expected to gain any useful information from discussions such as we had today. In fact I would go so far as to say that without this information today's meeting was completely valueless. Warmest regards.

[G.A.] DREW

532.

D.M.F./Vol. 136

*Le ministre des Finances
au premier ministre*

*Minister of Finance
to Prime Minister*

SECRET

Ottawa, October 19, 1961

My dear Prime Minister:

In the welter of current public discussion of the negotiations between the United Kingdom and the European Economic Community, I think it is imperative that we should not lose sight of the relationship of the United States to this problem. As you know, I discussed it frankly with Mr. Dillon and Mr. Ball in Vienna immediately following the meeting of the Commonwealth Economic Consultative Council at Accra last month.

The policy of the United States Administration is rightly or wrongly being interpreted as favouring accession of the United Kingdom to the Community. I was assured by Mr. Dillon and Mr. Ball that the Administration's attitude is neutral in this respect, regarding the decision as one entirely for the parties directly concerned. Mr. Ball made no attempt, however, to hide the fact that the United States regards the maintenance of the Commonwealth preference system unfavourably. I believe they were impressed with my report on the Accra Conference and the prospect of a serious weakening of the Commonwealth and the consequences this would have for certain of the Commonwealth countries which are numbered among the "uncommitted" nations.

I have had a paper prepared in this Department on this subject and enclose it herewith. It emphasizes the desirability of presentation of the Canadian point of view to the United States Administration and the danger that in this situation the United States may derive a very substantial benefit, not paid for, in the reduction of the Commonwealth preference system. I believe the importance of the matter warrants direct discussions with the Administration at Washington. I know this opinion is shared by Mr. Hees. I expect, of course, to see Mr. Ball in Paris at the O.E.C.D. meeting in mid-November, but earlier discussions would appear to me to be justified by the seriousness of the situation.

I am writing to our colleagues Mr. Green and Mr. Hees to the same effect.

Yours sincerely,

[DONALD M. FLEMING]

[PIÈCE JOINTE/ENCLOSURE]

*Note du ministère des Finances**Memorandum by Department of Finance*

SECRET

[Ottawa] October 16, 1961

U.K. NEGOTIATIONS WITH THE EEC: THE ROLE
OF THE UNITED STATES

The negotiations between the U.K. and the EEC begin in Brussels early in November. It is difficult to judge how long they will last, but it cannot safely be assumed that they will last a year or more. Mr. Heath recently said he saw the negotiations as a matter of months, not years.

There is increasing evidence that the United Kingdom Government is determined to reach an agreement with the Six at almost any cost. It is clear from the recent discussions in London with officials of Commonwealth Governments that the United Kingdom assessment of what are "essential" Commonwealth interests is much narrower than the assessments of the individual Commonwealth countries. It is noteworthy too, that in its initial presentation of its application to the Six last week in Paris the United Kingdom indicated that it saw no need for amendments to the Rome Treaty and thought the special arrangements that would be needed could be taken care of in a protocol or protocols. Against this background it would seem reasonably likely that the United Kingdom will succeed in negotiating an agreement with the Six. Any such agreement is most unlikely to include special arrangements to deal with more than a very limited number of Commonwealth interests, especially if the United States adheres to its present attitude that the preferences must go and that derogations from the Rome Treaty should be minimal.

If the United Kingdom joins the EEC Canadians trade interests in the United Kingdom market will inevitably be impaired. The degree of impairment will depend very much on the terms under which the United Kingdom joins the Community. Injury to Canada would be minimized if the United Kingdom were able to negotiate zero Community tariffs on the affected raw materials, and a continuation of present access for agricultural and manufactured products, including of course preferences over the United States and other outside suppliers. Terms such as these are unattainable, partly because of the attitude of the United States. A situation which would in any case have been very difficult for us is made doubly difficult by the United States attitude. The influence of the United States, whether thrown in one direction or the other, is still substantial. Is it not worth considering whether the United States attitude could be shifted in a direction more favourable to our interests and the interests of the Commonwealth as a whole?

The United States have consistently seen the European Economic Community as a political achievement of great value to the western world. They have looked upon it as a source of unity in Europe and therefore a source of strength from a strategic point of view. From the point of view of economics they have always been impressed by the advantages of bigness, real and supposed, and they conclude that a European attempt to create a customs union in the United States' own image is bound to be beneficial.

If the United Kingdom is willing to accept the political objectives of the Six, and does not attempt to water down the common purposes and institutions of the Community the United States would welcome United Kingdom membership in the EEC. They believe however that extensive derogations from the Treaty to accommodate the special problems of the United Kingdom and the Commonwealth would weaken the Community. They also have a more selfish reason for not wishing to see derogations. They point out that the entry of the United

Kingdom into the EEC will mean a considerable increase in discrimination against the United States. As compensation for this they are seeking the permanent abandonment of the tariff preferences which the United Kingdom and Commonwealth countries accord each other. (It is not clear that they have considered how the Commonwealth countries, all weaker and poorer than the United States, could be compensated). They evidently take it for granted that if the preferences accorded by the United Kingdom disappear, those accorded to the United Kingdom will also disappear. Indeed they are probably more interested in getting rid of preferential rates in the Canadian tariff than in the United Kingdom tariff. In short, they are looking for major trade advantages for themselves in Canadian and other Commonwealth markets, as a windfall, with no quid pro quo on their part.

This is surely a narrow and short-sighted approach to the situation created by the United Kingdom negotiations with the EEC. It ignores the very real problems created for Commonwealth countries and therefore for the Commonwealth as an association. The United States with the interests it has in the "uncommitted" nations of the world ought to consider carefully the serious impact this development can have on such countries as India, Ghana or Nigeria if special arrangements are not made to meet their needs. Australia and New Zealand, the only two reliable allies the United States has in the South Pacific, can suffer serious damage if their needs are not met. While Canada might be damaged less severely than some others, relations between the United States and Canada stand to suffer very seriously if the United States takes a stand which makes it impossible for the United Kingdom to attempt to protect Canadian interests.

We seem to be faced with the prospect of the two most prosperous industrial units in the world, the United States and the European Economic Community, about to carve for themselves large slices of the United Kingdom and Commonwealth markets at the expense of the underdeveloped members of the Commonwealth and of trusted friends and allies, Australia, New Zealand and Canada, whose strength and prosperity depend far more on foreign trade than is the case with the United States or the Six. This is not compatible with the kind of leadership the United States must provide.

What kind of leadership do we want from the United States? First, of course, a recognition of the broader implications of these negotiations for individual Commonwealth countries and for the Commonwealth as an association. But assuming these had been recognised, what then? We would then want the United States to throw its considerable influence in the direction of persuading the Six that the terms of United Kingdom entry must be such as to take Commonwealth interests fully into account, with whatever special arrangements this might entail. It must be recognized however that this effort, even if whole-hearted, would fall short of full success. Even with much better terms than now seem at all likely, the access of Commonwealth countries to the United Kingdom market will be considerably impaired. Somehow compensation must be provided in other markets. There are only two large markets to look to in this connection – the Six and the United States.

If the members of the Six can contemplate free trade among themselves they really have no need to maintain a tariff against the rest of the world as high as the agreed Common Tariff (Indeed before the Dillon round of tariff negotiations began, the Six themselves had talked of the desirability of following it with a further round a year or so later). So far the Dillon round has been disappointing, largely because of inadequate United States authority to make adequate offers. A further and much more extensive negotiation between the EEC and the United States is clearly necessary. What would the Commonwealth countries have to offer in a general attempt to mitigate the effects of U.K. entry into the EEC? As was indicated earlier the United States and the Six would be the beneficiaries of any erosion of the Commonwealth preferences. Whatever the settlement between the U.K. and the Six some of the

Commonwealth preferences in the U.K. are bound to disappear or be diminished. To the extent that this is so, the Commonwealth countries will have equivalent margins of preference in their own tariffs to offer in the context of a general settlement. These are the margins the United States has been hoping to get rid of without payment and no doubt the Six have had the same thought. Both must be persuaded that the continuation of a tolerable system of international trade for the smaller countries will depend upon their willingness to seek a general settlement of these problems on a basis which takes account of the interests of all concerned.

To the extent that it proved successful a general settlement of this kind could make a considerable contribution not only to maintaining good relations between the Commonwealth countries, the United States and the Six, but could also alleviate the internal strains within the Commonwealth that might otherwise threaten this institution. No real solutions to the problems created by United Kingdom entry into the EEC can be found within the Commonwealth itself. The United Kingdom for its part could expect some advantages from the United States which might serve to offset some of its own loss of advantages in Commonwealth markets. Moreover, the "European neutrals," Sweden, Switzerland and Austria, all but forgotten in recent weeks, which are bound to suffer from the break-up of EFTA, could look to this scheme for the solution of some of their trading problems in Europe. They have already indicated to us that they plan to air their special problems in the OECD. Indeed, the OECD might be the right place to launch some of these ideas. The group of countries which would have to play the principal roles in this whole scheme look, in fact, rather like Senator Fulbright's "concert of Atlantic Nations."

From the United States this will require not only a basic change of attitude but also new legislative authority in the tariff field going well beyond what has been available in recent years. The United States Administration are now working actively on ideas for new tariff-negotiating legislation. They have in mind particularly the need to get better access to the EEC. They appear, however, to need some imaginative goals in order to infuse new fresh vigour and vitality into their appeals to Congress. The objectives sketched in this memorandum might well provide the focus they need. We know that a number of new techniques for tariff negotiations are under consideration in Washington and that the Administration is receiving mixed counsel. If at the right time we were to put forward a scheme along the lines we have described we might precipitate out of the present uncertain situation a new and forward-looking enterprise in which all concerned – the United States, the Six, the European neutrals, the United Kingdom and the other Commonwealth countries would all be playing their appropriate parts.

533.

DEA/12447-40

*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 G-308

Ottawa, October 30, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Telegrams 3820 and 3861 Oct. 24† and 27† and Telecom with Mr. Fleming.

UK AND THE COMMON MARKET

Following for High Commissioner.

We fully share the concern which you have expressed (and which has been reported from Wellington and other Commonwealth capitals) regarding the amount of information being disclosed to Commonwealth representatives regarding Britain's current discussions with the Six. As you will be aware we have attached great importance, both privately and publicly, to the fullest degree of consultation as Britain's exploratory discussions or negotiations proceed. It has always been our understanding (as reflected in the communiqué after the Sandys' visit) that the judgments which the U.K. will have to make from time to time will reflect such consultations. Similarly, the development of our own views would be assisted by the fullest possible information on Britain's discussions with the Six.

2. You should therefore attend or be represented at the briefing meeting which I gather the British government in holding in London tomorrow with representatives of Commonwealth countries. You should press very firmly for the fullest disclosure respecting negotiations to date in view of their importance and interest to Commonwealth countries.

3. At the same time you will of course wish to avoid associating us with Britain's negotiations with the Six and you will want to be careful not to expose us to pressure from Britain for premature indications of our attitude on particular points. If it is suggested that we are being unreasonable in asking for information without being prepared to give any information ourselves, the answer would seem to be simply that it is Britain and not Canada which is engaged in negotiations. Accordingly it is not surprising that Britain should be asked for full disclosure even though Canadian and other Commonwealth representatives may not be able to say anything new about the views of their governments at this stage.

[H.C.] GREEN

534.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

TELEGRAM 3961

London, November 5, 1961

SECRET. CANADIAN EYES ONLY. EMERGENCY.

(For immediate personal delivery to Prime Minister at 24 Sussex Drive – no repeat no other distribution).

Warmest congratulations on very successful trip⁴⁸ which has been well reported here and on continent.

2. Reason for this message is possibility you may be considering today question as to whether Canada should be specially represented at Brussels during coming week and information just received that Amory has been instructed to try discreetly to bring this about.

3. During your absence statements made here indicating full consultation with Commonwealth governments and full information regarding Heath's statements to ministers in Paris. This of course is incorrect. For your consideration would recall that subject now before European Community representatives at Brussels is British application for membership under Section 237. As we could not repeat not under any circumstances join in application for

⁴⁸ Voir chapitre VIII, partie 4 (b)./See Chapter VIII, Part 4 (b).

membership which is limited to "European nations," reasons for special representation are not repeat not clear. For some considerable time our ambassador in Brussels has been the accredited ambassador to European Community, and with his supporting technical staff would appear to be in a position to deal with any subject which might arise in relation to the Community. Suggest that special representation in association with British Delegation, which I understand is being urged by British Government, could create impression that we had been fully associated with negotiations and such results as may be achieved, although we have not repeat not yet been informed what measure of protection of Commonwealth interests they actually hope to achieve.

4. On more than one occasion Macmillan gave assurances that there would be full and effective consultation with governments of Commonwealth. On June 1 he said "We will have full consultation with them before deciding what course to follow in relation to EEC." On June 27, when Silverman asked Macmillan to assure the House that no repeat no decision had been taken even to enter into negotiations, let alone on what would happen after negotiations had taken place, Mr. Macmillan said "Yes, Sir ... we are going to consult with Commonwealth on the whole position before reaching a decision."

5. You will recall that on at least two occasions you stated in the House in Ottawa that Sandys' visit did not repeat not constitute "consultation," but that those would only be exploratory talks. No repeat no consultations such as those promised have yet taken place, and in fact there has as yet been no repeat no firm response to your own request to Macmillan, when the subject of British application for membership was first discussed this spring, for information as to their exact position. There has as yet been no repeat no attempt by British Government to spell out even in moderately precise terms whether protection of Commonwealth trade means protection of the whole trade, or if only a part some indication of what that part might be.

6. They have gone a long way and left little doubt that the decision to join European Community has already been made, subject only to refinement of detail, contrary to the numerous assurances which were given. Had any doubt remained on this score it was removed by these words in the Speech from the Throne last week "My government will make every effort to bring to a successful conclusion the negotiations which they are undertaking with EEC."

7. Under these circumstances may I suggest the possible advantages of having no repeat no formal association with British delegation which is in Brussels for the specific purpose of supporting their application for membership which under no repeat no circumstances we can directly share. It does seem that some emphasis can be placed on the fact that our relationship with EEC, which is the only direct relationship open to us, is already covered by the presence in Brussels of an experienced ambassador formally accredited to the Community and supported by an efficient technical staff.

8. May I further suggest the possible desirability of a strictly personal letter to Macmillan pointing out that the course followed has not repeat not conformed to your understanding of the procedure that was assured, and the possible danger to harmonious British-Canadian relations if it should become necessary for you to make a public statement indicating Canadian dissatisfaction with the lack of consultation and their failure to provide us with information sufficiently specific for Canadian Government to understand what their intentions really are.

9. To such extent as it may now become necessary in the meantime to make any public statement, may I suggest that as the country which in fact produced the concept of the modern Commonwealth in 1867, we have special reasons for being devoted to the maintenance and strengthening of Commonwealth for sentimental reasons as well as practical reasons. Having regard to numerous statements made here, I do think this would be helpful, and emphasis

might also be laid on the fact that Canada has sought to place no repeat no barriers in the way of British development in which we have such a close and abiding interest, but that with our deep concern for the future of Commonwealth which has now become the most hopeful international association in the world, we do want to know and are still waiting to learn what course is being proposed and what the effect of British participation as a member of European Community would have on the future of the rapidly expanding Commonwealth.

10. Warmest personal regards.

[G.A.] DREW

535.

DEA/12447-40

*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 3999

London, November 7, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel G-308 of Oct. 30.

Repeat for Information: Hon. D.M. Fleming, Minister of Finance, Ottawa (OpImmediate).

UK AND COMMON MARKET

1. As Heath had undertaken at meeting of High Commissioners on October 13 to consider my request for the delivery of a text of his statement to the Ministers' Meeting in Paris on October 10, and had said that he would let me know the result of their consideration of this request, I wrote to him on October 27 reminding him of this assurance and asking what their decision was.

2. Yesterday I received a reply stating that they had carefully considered the request I had put forward on behalf of the Canadian Government, but that they had decided they could not repeat not let us have this text.

3. I then had a letter delivered immediately to Heath saying that while we wanted the text, if we could not repeat not have this would they give us a written summary.

4. A letter written by Heath was delivered to me at noon. In this he repeated the statement that they were not repeat not prepared to go beyond the summary relating to that part of his statement in Paris dealing with the Commonwealth, and that he thought that what had been said at the meeting of High Commissioners on October 13 gave us sufficient information. In his letter he said "I did in fact say all that there was to say at this stage." The fact is that he has given us no repeat no additional information in regard to the real details of what he said in Paris beyond the original summary of that part relating to the Commonwealth.

5. The High Commissioners have been asked to attend a meeting at three o'clock next Friday afternoon, November 10, to hear Heath's report of his discussions at Brussels which begin tomorrow morning.

6. It does not repeat not seem to me that without either the actual text of his statement in Paris or a comprehensive written summary of that statement there is any possibility of interpreting the summary of what he said about the Commonwealth entirely out of the context in which it was given.

7. If you share my views I hope you will instruct me to make a very firm protest on November 10 in regard to the withholding of essential information while at the same time inviting us to meetings of the High Commissioners which are interpreted in the press as being for the purpose of fully disclosing to us what has taken place.

[G.A.] DREW

536.

DEA/12447-40

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

CONFIDENTIAL

Ottawa, November 14, 1961

Dear Mr. Green

I have been asked to send you the enclosed message from Duncan Sandys. A copy of the message has been given to George Drew.

Yours sincerely,

DEREK AMORY

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
au secrétaire d'État aux Affaires extérieures
Secretary of State for Commonwealth Relations (United Kingdom)
to Secretary of State for External Affairs*

CONFIDENTIAL

[London], November 14, 1961

Now that the Common Market negotiations have begun I think you may care to have, in addition to the full information we shall be giving you through normal official channels, messages from me from time to time to give you my personal assessment of how things are going especially from the point of view of the Commonwealth interest.

Mr. Heath saw the Commonwealth High Commissioners here last week on his return from Brussels and you will no doubt have had an account of what he told them about the Ministerial meeting with the Six.

In any negotiations it is always a tricky business to get the discussions launched on a satisfactory basis. This I think has now been achieved. We have agreed on terms of reference which will enable officials to get down to brass tacks and in particular to grapple with the issue of Commonwealth trade which everybody recognises to be the heart of the problem.

We have been encouraged to find that the Six accept the need to protect vital Commonwealth interests and have shown themselves ready to examine the various possible solutions we have put forward.

On the other hand, the Six and the Commission naturally look at the problems raised by our application for membership in the light of the interests of the Community. They are concerned that the conditions of our entry should not undermine the cohesion and balance of the Common Market and, as they put it, that exceptions should not take the place of rules.

For this reason they thought it would be difficult to apply in any wholesale manner the Morocco solution which was designed to deal with a very limited problem.

They naturally would like to find solutions restricted to the transitional period, rather than permanent exceptions which would give Commonwealth countries a privileged position in perpetuity. Mr. Heath took them up on this and emphasised that while transitional arrangements might suffice for some Commonwealth problems, others would call for arrangements of a continuing character.

The Six have adopted as realistic and moderate an attitude as we could reasonably have hoped.

The Ministers had quite an argument about procedure, which reflected the differences between the point of departure of the two parties. We wanted to take the Commonwealth problem in its various aspects as the starting point, they wanted to start from the common external tariff as the main element in the structure of the Common Market. It was finally agreed that officials should in effect tackle the problem from both aspects in parallel. This should enable us to avoid the obvious danger of getting bogged down in detailed discussion of the tariff.

We are not too disturbed by the fact that the Six do not wish to discuss agriculture until after the end of the year in view of their need to reach some agreement about a common agricultural policy if they are to pass to the "second stage" of the operation of the Treaty of Rome on the 1st January. The signs are that any agreement they may reach will be of a pretty limited character and will not prejudice our discussions with them. We are in touch privately with the Commission and individual Governments of the Six and in this way can ensure that our views are known before they make their decisions.

As regards the political discussions going on in the Fouchet Commission there has been a lot of publicity about the French draft. From what we know of the French proposals (and they are not the only ones in the field) they do not contain anything which would be in any way inconsistent with the maintenance of our established political relations within the Commonwealth.

I hope you will send me at any time any thoughts you may have about the negotiations as they proceed.

537.

DEA/12447-40

*L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures
Ambassador in France
to Secretary of State for External Affairs*

TELEGRAM 1487

Paris, November 21, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: Tariff Del Geneva, London, Washington, NATO Paris, T&C Ottawa, Bonn, Brussels, Hague, Rome, Finance Ottawa, Agriculture Ottawa, PCO Ottawa, Bank of Canada Ottawa from Ottawa.

By Bag Wellington, Canberra from London.

BRITAIN AND EEC

Wormser (Quai d'Orsay) attended a dinner party at the Embassy on November 17 in Mr. Fleming's honour and dealt at some length with France's view of recent EEC developments and particularly Britain's application. Although Wormser did not repeat not touch on new points of substance, his remarks to Mr. Fleming comprised an up-to-date summary of the French position.

2. Wormser began by describing the French conception of the EEC. It was a regional customs union; more than that it was a closely integrated economic union, an exclusive club designed to discriminate in favour of its members and against non-members. Later, in a colourful analogy, he compared the EEC to a French country house with a formal garden surrounded by a wall through which there was only one gate (the Rome Treaty); it thus illustrated a fundamental difference between the French approach to European unity and that of the British, who were accustomed to informal gardens that were not repeat not enclosed.

3. In Wormser's view it was open to question whether the EEC was perhaps already too large to work in the way in which it had originally been conceived. The Six already included the most important economic powers on the continent and the Common Market had been so successful that it was causing changes in world trading patterns and widespread anxiety among those who were excluded. Moreover it was perhaps already too large to preserve its homogeneity and further expansion would certainly pose a serious threat to the original concept of the EEC. If it were expanded to include Britain and the EFTA countries, what would be left out? Only USA, Canada and Japan among the important industrialized countries of the free world, and where was the process to stop? It was clear from Prime Minister Macmillan's public statements that he was thinking of Britain's entry as only a step in the direction of an Atlantic Community. Although he did not repeat not say so in so many words, the pretty clear implication of Wormser's remarks was:

(a) that he thought it would have been better if Britain had never applied for entry into the EEC; and

(b) that he would be unalterably opposed to any further expansion beyond Britain and the other EFTA countries.

4. Wormser went on to explain that the immediate issue posed by Britain's application was the question of additional protocols to the Rome Treaty. This issue had been clouded until now because Mr. Heath's statement in Paris had been so cleverly drafted that it had been almost impossible to pin down the British position. With the opening of negotiations on the problems of the common external tariff and the Commonwealth however it was becoming increasingly clear that there was a gap between the British position and that of the Six which would be hard to bridge. Put baldly Britain wanted important permanent derogations from the Rome Treaty while the Six were prepared to accept only transitional exceptions limited in time and scope. Reverting to his analogy, Wormser said that they could not repeat not afford to expand the Common Market "garden" to include Britain unless the garden wall was the same around both Britain and the Six.

5. In this situation France and her EEC partners might be forced in future negotiations in Brussels into taking positions that appeared negative and unsympathetic to Britain and the Commonwealth. Wormser did not repeat not see how the Commonwealth preferential system could be integrated into the Rome Treaty. He emphasized that he fully recognized the political importance of the Commonwealth and that he found it particularly awkward to have to choose between the EEC and the Commonwealth at a time when there was such a need for Western utility. It was for this reason that he called representatives of certain Commonwealth countries to the Quai d'Orsay last week (our telegram 1441 November 14† refers). France was anxious to warn Commonwealth countries that the negotiations with Britain would sooner or later have to come to grips with this problem.

6. Wormser confessed that at this stage he could see no repeat no way out of the impasse. He did think however that when the trade interests of countries other than Britain and the Six were going to be on the table at Brussels it would be difficult to reach a final settlement without the direct participation of those countries. He also referred in very general terms, as he had to us before, to the possibility of concessions from Canada in return for EEC concessions in the

external tariff on items of special interest to us. Later he developed this thought by speaking in terms of an average external tariff on such items (e.g. for aluminium a reduction in the CET from 9 percent to from 4 to 6 percent. At no repeat no point did he specify what sort of concessions Canada might be asked for.

7. Wormser saw no repeat no possibility of permanent arrangements for the Commonwealth which would in effect discriminate against USA. The Americans had already made it clear to the French Government that they would expect to receive from the enlarged EEC treatment no repeat no less favourable than that granted to the Commonwealth. On the other hand the French were following with great interest USA Administration's efforts to launch a broad trade liberalization program. Timing would be crucial however because the difficulties facing negotiations in Brussels would probably be clearly defined by the end of this year.

8. On agriculture, Wormser confirmed the importance attached by the French to the so-called Kojeve Plan (our telegram 1435 November 14† refers). In support of this plan he tried to demonstrate that the French domestic price for grain was more appropriate as a "just price" for international trade purposes than the present international price, and that it was really against the interests of exporting countries like Canada to accept low international prices and to pay subsidies to the farmers when they could realize the same income by selling slightly smaller quantities at a higher price. In any case he anticipated that when the proposed variable levy system was established the exporting countries would be forced willy-nilly to abolish their agricultural subsidies. The French intended to press on with their proposed initiative at the GATT Ministerial Meeting and felt that they had received no repeat no discouragement from USA or from Australia. Wormser also confirmed that the main lines of the CAP were to be established by January 1 next and that Britain would play no repeat no part in its formulation ("the formation of EFTA enabled us to have a Common Market; the British application has given us a common agricultural policy").

9. Wormser was relaxed and forthcoming throughout the evening and appeared delighted with this opportunity to inform Mr. Fleming of current thinking in Paris. He answered questions freely but made it very clear that French negotiators in Brussels would not repeat not be in a position to facilitate arrangements in the Commonwealth's interest.

[PIERRE] DUPUY

538.

D.M.F./Vol. 137

*Compte rendu de la réunion entre le ministre des Finances
et le directeur des Affaires économiques et financières
du ministère des Affaires étrangères de la France*

*Record of Meeting between Minister of Finance
and Director of Economic and Financial Affairs,
Ministry of Foreign Affairs of France*

CONFIDENTIAL

[Ottawa, n.d.]

1. This was a talk which proceeded at the Canadian Embassy (residence) on Friday evening, November 17, following a dinner given by our Ambassador, Mr. Dupuy. In the hope of an intimate discussion Mr. Dupuy had kept the dinner to a very small party. Mr. Baumgartner, the French Minister of Finance was detained at the last minute before the Senate in connection with his budget. Mr. Wormser was, therefore, the only non-Canadian guest. Also present were Messrs. Dupuy, Plumtre, Warren, Halstead and Kniewasser.

2. Mr. Plumtre has written a memorandum dated November 20† on the Conference and we also have an excellent telegram dated November 21 from Mr. Dupuy reporting on the meeting.

This present memorandum may, therefore, be regarded merely as supplementary to these two sources.

3. Mr. Wormser was very forthcoming in our discussion. He spoke with extraordinary frankness and with little indication of reserve. The discussion, which was held in the Library, opened at once on Common Market subjects and continued for two hours. It proceeded entirely in English. I found it extremely valuable.

4. Mr. Wormser began by expressing the opinion that the Common Market is already big enough, if indeed it is not already too big. France entertained doubts about its wisdom before its formation. Time is now needed for digestion without undertaking large changes. He stressed that there are great problems to be faced and questioned whether it will work successfully if it becomes too big.

5. I drew attention to the policy of the E.C.M. and our concern in regard thereto. I referred to the size of our trade with the Common Market quoting figures. I stressed the closeness of Canada's relations, both economic and political, with the six Common Market countries, stressing that we are not only friends but allies in NATO. I stressed the importance for Canada of outward-looking policies on the part of E.C.M. Mr. Wormser indicated his awareness of the nature and extent of Canadian interests and relations with the Six.

6. Mr. Wormser laid stress upon the fact that France has followed protectionist policies for hundreds of years. The people have been brought up in that atmosphere. He expressed the opinion that the French Parliament would not approve the entry of the United Kingdom into the Common Market unless protection is maintained.

7. This reference to protectionism naturally led next to a comment on French agricultural policy. Mr. Wormser readily conceded that the policy is protectionist and that the French farmer wields great political influence and that he is very vigilant.

8. The next reference naturally was to wheat. Mr. Wormser threw out a suggestion that effort might be made to meet existing problems by achieving agreement on a world basis involving a world price and that taxation be used to absorb the difference between the domestic and the world price. He did, however, concede that the use of taxation in such circumstances would involve very great political difficulties.

9. On the subject of the proposed United Kingdom entry into membership in the Common Market, Mr. Wormser was prepared to agree that there were political advantages in having the U.K. as a member, but stressed the difficulty of reconciling interests. He instanced the difference in the French and British views of the garden, a very significant allusion which is examined in Mr. Dupuy's telegram. In referring to the prosperity of the Six he agreed with me that it was not all attributable to their having formed the Common Market. He agreed further with me that the prosperity of France at any rate was in part attributable to the French financial reforms of three years ago which would have been beneficial whether France was in or out of the Common Market. He added that Mr. Khrushchev had also contributed greatly to the prosperity of the Common Market by his policies which have driven so many of the enterprising people from East Germany into West Germany where they had been a very important factor in the prosperity of the West German Republic.

10. Mr. Wormser also agreed that the views of France would be very influential in determining the attitude of the Six in the negotiations with the United Kingdom.

11. Mr. Wormser's comments upon the British proposals to the Common Market were particularly interesting. He spoke of Mr. Heath's statement at Paris on October 10 on behalf of the British Government in opening the negotiations as "the most mysterious puzzle." He said it extended to about sixty-two paragraphs, that it is full of contradictions, that it gives nothing away and that it did not say anything that did not appear to be withdrawn in some other part of

the document. He expressed glowing admiration for the presentation as a work of diplomatic art which leaves open so many escape doors.

12. Concerning the interests of the Commonwealth I reviewed briefly the basis of our interests and our concern. Mr. Wormser indicated that transitional provisions to ease the inevitable difficulties might be considered but that no departure from the scheme of the Common Market with its common external tariff would be acceptable. Any provision to facilitate economic adjustment, though necessary, could not in his view be permanent.

13. Finally, in relation to the content of Canada's exports Mr. Wormser addressed himself particularly to the subject of raw materials. He stated that the French and Canadian conceptions of what constituted raw materials do not coincide. He singled out aluminum in this respect, stressing that in the French view aluminum was a processed product and could not be regarded as a raw material.

DONALD M. FLEMING

539.

D.M.F./Vol. 137

*Compte rendu de la réunion entre le ministre des Finances
et le président de la France, le 17 novembre 1961*

*Record of Meeting between Minister of Finance
and President of France, November 17, 1961*

CONFIDENTIAL

[Ottawa, n.d.]

1. President Charles de Gaulle received me in his private office at the Palais Élysée. The appointment had been arranged by our Ambassador Mr. Dupuy, and Mr. Dupuy informed me that President de Gaulle had put aside another appointment in order to meet with me. Our meeting lasted one half hour. Only an interpreter was present with us and as we conversed directly in French he took no part except to supply a translation of the English word "background" for which he afterwards told me there is no counterpart in the French language.

2. The meeting was most cordial. I had had the privilege of accompanying President de Gaulle on his visit to Canada a year and a half ago and this aided greatly in the atmosphere of this meeting. I brought the President greetings from the Governor General and the Prime Minister which he warmly appreciated.

3. The President opened with a comment on the O.E.C.D. meeting. I gave him a brief report on the meeting and then, to my great gratification, he switched directly to the subject of the E.C.M.

4. First, the President inquired of me as to Canada's attitude toward the proposed entry of Great Britain into the Common Market. I said that in the view of the Canadian Government it is a matter for decision by the United Kingdom, but on the invitation of the British Government we had had exchanges of views and these had been frank. I referred to our concern for Canadian and Commonwealth interests and the apprehension which had been voiced by all Commonwealth countries concerning the negotiations. I said also that we acknowledged the political values of the Common Market, that we wished to see Western Europe strengthened, but we did not wish to see the Commonwealth weakened. The President commented incisively "We are willing to have the United Kingdom in the Common Market, but not the Commonwealth."

5. The President then asked me why I thought the United Kingdom wished to join the Common Market. I replied that I believed it was because her entry would give more political strength to Western Europe, and avoid political isolation of the United Kingdom from Europe. He asked me why Britain should risk damage to the Commonwealth. I replied that I

understood Britain would wish to have a foot in each camp, i.e., the Commonwealth and the Common Market. He then pressed me to indicate what Britain's choice would be between the two. In reply I drew attention to the firm statements which Mr. Macmillan and other British ministers have made that if it came to a choice between the Commonwealth and Europe, Britain would choose the Commonwealth. I commented, however, that I did not believe any such simple choice would present itself. It would rather be a case of Britain deciding whether or not to enter the Common Market on the terms which might be negotiated with the Six.

6. President de Gaulle then raised very directly the subject of wheat, which is so important to French interests and attitudes. He asked me for the price at which Canadian wheat is being sold in Europe in a manner which indicated again that France is very sensitive to the competition of Canadian wheat with French wheat. I stressed the importance to the Canadian economy of our wheat exports, instancing our sales to the United Kingdom, Japan, West Germany and now China.

7. I spoke of our trade with the Common Market countries. I stressed that we are not only friends but allies and expressed a desire to extend our trade with the Six. I quoted figures on the extent of the present trade. I emphasized the importance for Canada and other countries of the adoption of outward-looking policies by the Six. I also referred to the difficulties which we have been having in the GATT negotiations at Geneva in working out tariff agreements with the Six. President de Gaulle indicated he was quite aware of these difficulties and their relationship to the agricultural policy of the Six.

8. I referred to the indications of a new initiative on the part of the U.S.A. and asked if such an initiative might not offer the possibility of achieving agreements that would provide for the freer flow of trade in the area of the Atlantic Community. He immediately questioned what the chances might be of President Kennedy obtaining the required authority from the United States' Congress in view of protectionist interests there. I agreed that the initiative would encounter very serious difficulties in that quarter.

9. On the subject of wider trade in the Atlantic area I stressed that Canada is the only Commonwealth country in NATO apart from the United Kingdom and that our trading interests are world-wide, Canada being the fourth greatest trading country in the world and the first on a per capita basis. It would be necessary for us in the approach to any freer trade in the Atlantic area to have regard to our trading interests with Japan, the Commonwealth countries, Latin America and other parts of the world.

10. The meeting concluded very cordially. The President asked me to convey messages of greeting to the Governor General, the Prime Minister and Mrs. Fleming.

11. The impression the President left with me was one of awareness of the issues involved and firmness in relation to the protection of French interests. The clear impression that he made on my mind was that he has no desire to accommodate the interests of the Commonwealth, that he fears the competition of Canadian wheat for French wheat, that for the sake of political advantages he is willing to admit the United Kingdom into the Common Market, but that there will be no yielding in favour of Commonwealth interests.

DONALD M. FLEMING

540.

D.M.F./Vol. 137

*Compte rendu de la réunion entre le ministre des Finances
et le premier ministre du Royaume-Uni, le 20 novembre 1961*

*Record of Meeting between Minister of Finance
and Prime Minister of United Kingdom, November 20, 1961*

CONFIDENTIAL

[Ottawa, n.d.]

1. My meeting with Mr. Macmillan was held in the Cabinet Room (temporary) at Admiralty House. It lasted for one half hour. The two of us met alone. Mr. Macmillan was most cordial.

2. I brought Mr. Macmillan the greetings of our Prime Minister. Mr. Macmillan referred to Mr. Diefenbaker's visit to Japan with interest. I gave him a quick report on it.

3. Mr. Macmillan then referred to the O.E.C.D. meeting in Paris last week. I gave him a quick report on it stressing that it had been very useful and harmonious. I referred to the role played in it by the Chancellor of the Exchequer.

4. I then referred to the U.K.-Common Market negotiations. I stressed our double concern over (a) the importance to Canadian interests of the course and outcome of the current negotiations, and (b) the stories in the press in the U.K. and Canada suggesting that there was discord between our two countries. I said these reports were doing much mischief. I said I realized the U.K. Government had no control over the U.K. press, but that it seemed to me the only time when news from Canada finds its way into the U.K. press is when an attempt is made to allege that there is some kind of "crisis" in Canada or in U.K.-Canada relations. Mr. Macmillan agreed saying "We have the same trouble" and "We are press-ridden Governments."

5. I affirmed that we had always recognized that whether the U.K. joins the Common Market or not is a matter for decision by the U.K. Government and for it alone. However, when the views of the Canadian Government have been sought they have been given frankly.

6. I said that from the tenor of recent speeches of Mr. Macmillan and others it appeared that the British Government is determined to enter the Common Market. Mr. Macmillan immediately denied this. He said that there had been no change in the Government's position in this regard and no decision had been taken. Moreover, no decision would be taken until after the negotiations had shown what terms would be attached to U.K. entry into membership. Mr. Macmillan said that it was *a political decision* and that he had always thought that the economic problems involved could be overcome. He stressed this statement by making it three times. Emphasizing that it is a political decision he said that unless Europe gets together then within thirty years Germany will be Communist and France chaotic and powerless and the Western world will be doomed. Western Europe exists on a tiny peninsula of the Eurasian land mass. He said "We must succeed in these negotiations. It is necessary for political reasons."

7. I said that the Canadian and Commonwealth interests are deeply involved in the negotiations, indeed, that they were at stake. I referred to the promises of Mr. Macmillan and others to protect Commonwealth interests in the negotiations and said that there had never been any question about our accepting the good faith of the U.K. Government in making these promises. I said that we rely on them and referred to our Prime Minister's recent speech at Halifax to this effect. I added, however, that I questioned whether in these negotiations the U.K., even with the best will in the world, could succeed in its efforts to protect Commonwealth interests. I referred to my talks last week in Paris. I expressed the view that France will be the most influential of the Six in determining their position, and Mr. Macmillan did not disagree. I said that my impression of my talks in Paris was that there would be no yielding on the part of France to make terms with the U.K. which would accommodate

Commonwealth interests. I expressed the view that the French wish to have the U.K. in the Common Market, but not the Commonwealth. At this Mr. Macmillan evidenced no surprise, but merely said "We must try." I mentioned that the subject of wheat was raised by the French in my Paris talks just as soon as mention was made of the interests of the Commonwealth.

8. I pointed out that we have not been told by the U.K. what in their view constituted the protection of Commonwealth interests in these negotiations and said that we had on several occasions, including the Accra meeting, asked for some indication of the quantum which was in the mind of the U.K. Government. To this Mr. Macmillan made no response.

9. I then turned to the subject of consultation. I said we were naturally anxious to be kept informed as fully as possible. I referred to Mr. Heath's opening statement at Paris on October 10 setting forth the position of the U.K. Government. I said "you have furnished us with a summary of a portion of this speech. I should like to renew our request for the text." Mr. Macmillan replied "Maybe we made a mistake in not giving the text to the Commonwealth Governments at the time. The statement, however, was not prepared for circulation." He added that if it were to be given out it would be necessary to give copies to 15 Commonwealth countries, 6 EFTA capitals and other organizations of the E.E.C. Then the U.S. would expect a copy and then Argentina and other countries. I suggested that the Commonwealth countries might be expected to keep the document confidential, but Mr. Macmillan replied that he considered that impossible. I mentioned that perhaps quite unnecessarily the failure to give the full text to the Commonwealth countries had given rise to feelings that they had not adequately been taken into the confidence of the U.K. Government. He nodded and repeated "Perhaps we made a mistake." I merely renewed the request for the text. Mr. Macmillan gave no conclusive answer.

10. Mr. Macmillan stressed that the E.C.M. must be outward-looking in its economic policies. I warmly agreed and referred to the difficulties we are experiencing with the Six in our present GATT negotiations at Geneva. I stressed the importance of Canada's very large trade with the E.C.M., and said that all six countries were our friends and our allies in NATO and that we are anxious to extend our trade with them. I expressed concern over the protectionism which characterizes the agricultural policies of the Six and the concern evidenced by French leaders over wheat in my talks last week with them.

11. I referred to the evidence of new initiatives at Washington. I said that we in Canada were prepared to attach considerable importance to them, being as close as we are to the U.S., while recognizing the problem of protectionist sentiment in the U.S. Congress. I interpreted the U.S. attitude following my talks with Mr. Ball as favouring wider agreements and freer trade with Europe but with no membership in or partnership with the Common Market. I suggested that a U.S.A. initiative, if it came soon, might be made to help to reconcile interests of the Commonwealth with British membership in the Common Market.

12. I told Mr. Macmillan of Mr. Diefenbaker's willingness to come over to London in the early future for the ostensible purpose of fulfilling some engagement, and this might lead to useful talks. Mr. Macmillan took up this point at once and made a note of it. He said "He might come and make a speech" and asked about a date. I suggested early January.

13. The meeting concluded at the end of the half hour on a very cordial note.

DONALD M. FLEMING

541.

DEA/12447-40

*Le secrétaire privé du premier ministre du Royaume-Uni
au secrétaire privé au haut-commissaire au Royaume-Uni*
*Private Secretary to Prime Minister of United Kingdom
to Private Secretary to High Commissioner in United Kingdom*

CONFIDENTIAL

[London], November 22, 1961

Dear Private Secretary,

You will be aware that, when he saw the Prime Minister on November 20th, Mr. Fleming asked Mr. Macmillan to consider whether a copy of the Lord Privy Seal's opening statement to the Six of October 10th could not after all be given to Commonwealth Governments, and said that if this were possible it would disperse the genuine anxiety which was felt. The Prime Minister undertook to consider this request.

I am writing now to let you know that, having considered the matter as he promised to do, Mr. Macmillan has decided that the British Government should adhere to its decision that, for the reasons which have already been explained, it would be better not to give verbatim copies of the text or of similar documents arising in the course of the negotiations to any governments that are not directly parties to them.

Lord Amory has been requested to pass this information to Mr. Fleming in Ottawa.

Yours sincerely,

F. MILLS

542.

DEA/12447-40

*Extrait d'un télégramme du haut commissaire au Royaume-Uni
au secrétaire d'État aux Affaires extérieures*
*Extract of Telegram from High Commissioner in United Kingdom
to Secretary of State for External Affairs*

TELEGRAM 4211

London, November 24, 1961

UNCLASSIFIED.

Emergency for personal delivery to Minister.

Repeat for Information: Prime Minister, Minister of Finance Emergency for direct personal delivery.

PRESS SUMMARY CANADA AND COMMON MARKET

The *Daily Express* and the *Daily Mail* reported in splash front page play this morning that the United States has the full text of Mr. Heath's Common Market speech of October 10 which has been withheld from Commonwealth countries. The *Times*, in a much more guarded story, had a short item saying reports of this nature were abroad but that there was no confirmation from the Foreign Office or USA sources in London. The *Daily Express* headlined its report "Common Market: Canada protested, and now ... shock over US 'leak.' Washington gets facts barred to empire." The *Daily Mail* headline read "Six in leak shock. US has full text of Heath's market speech. Now Sandys faces new rumpus."

...

543.

DEA/12447-40

*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 4220

London, November 24, 1962

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Copy for immediate personal delivery to Prime Minister and Minister of Finance.

For the Minister.

Now that Mr. Macmillan has refused the request by Mr. Fleming for the production of the text of Heath's statement in Paris on October 10, and it has now been disclosed that this statement is in the hands of the USA Government, I would like to have a clarification of our position in regard to this document.

2. You will recall the very strong protest forwarded by New Zealand and reported in Wellington telegram 396 October 26 to External,† in which it was stated "that New Zealand Government was far from satisfied at failure of UK Government to make available even a full summary of all of Heath's statement which will set pattern for negotiations." There was the further message from Canberra in telegram 300 October 26 to External,† in which it was reported that "Australians made a strong request earlier this month in London for the full text of Heath's statement at UK-EEC pre-negotiations."

3. There was also your telegram G-308 October 30 to me, which in fact contains the last firm instructions I have received on this subject. In that telegram you said "As you will be aware we have attached great importance both privately and publicly to fullest degree of consultation as Britain's exploratory discussions or negotiations proceed. It has always been our understanding (as reflected in communiqué after the Sandys' visit) that the judgments which UK will have to make from time to time will reflect such consultations. Similarly the development of our own views would be assisted by fullest possible information on Britain's discussions with the Six. You should therefore attend or be represented at the briefing meeting which I gather British Government is holding in London tomorrow with representatives of Commonwealth countries. You should press very firmly for the fullest disclosure respecting negotiations to date in view of their importance and interest to Commonwealth Governments."

4. The meeting did in fact take place on November 10. Following your instructions I did write to the Lord Privy Seal prior to that meeting expressing the hope that they would give us the full text of his statement in Paris on October 10. That request was refused.

5. Since the same request to Mr. Macmillan by a minister representing Canadian Government has also been refused, I would be grateful if you would let me have your instructions regarding the course now to be followed in view of the fact that there will doubtless be another meeting called after Mr. Heath's return from Brussels in a few days. Perhaps I should add that I shall certainly be there myself as I have finally thrown off the severe chest cold which has been bothering me for more than two weeks.

[GEORGE] DREW

544.

DEA/12447-40

*Note de l'adjoint spécial du Bureau du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État adjoint des Affaires extérieures*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Assistant Under-Secretary of State for External Affairs*

Ottawa, November 27, 1961

Mr. A.E. Ritchie:

The Minister told me this morning that he had instructed Mr. Drew to attend any further meetings called by Mr. Heath following the latter's return from Brussels. This seems to dispose of paragraph 5 of London telegram 4220 of November 24. I checked with the Minister as to whether any reply was needed to that telegram, and he said it was not. I am, therefore, returning your draft G-328 of November 25† and all copies of it.

R. C[AMPBELL]

545.

DEA/12447-40

*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 4228

London, November 26, 1961

CONFIDENTIAL. OPIIMMEDIATE.

Repeat for Information: Paris, NATO Paris, T&C Ottawa, GATT Del, Geneva, Brussels,
Finance Ottawa, PCO Ottawa from Ottawa.

BRITAIN AND EEC

CRO reached us Saturday evening to tell us of decision by UK ministers that full text of Mr. Heath's October 10 statement in Paris be released to Commonwealth and EFTA governments. Statement is being reproduced over week-end and we should have a copy Monday morning. Please let us know if you want text by teletype.

CRO said their covering letter is expected to say that Heath statement remains classified and that its release to governments not repeat not engaged in Brussels negotiations is not repeat not a precedent.

546.

DEA/12447-40

*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], November 28, 1961

BRITAIN AND THE EEC: MR. HEATH'S STATEMENT
OF OCTOBER 10, 1961

You may be interested in the attached comments prepared in the Department on the full text of Mr. Heath's statement of October 10, 1961, which became available today.⁴⁹

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

*Memorandum**Note*

CONFIDENTIAL

BRITAIN AND THE EEC: MR. HEATH'S STATEMENT
OF OCTOBER 10, 1961

The British Government has now made the complete verbatim text of Mr. Heath's statement available to all Commonwealth and EFTA governments, on the understanding that this is an exception to the arrangements protecting the secret nature of the working papers of the negotiations. We have examined it to ascertain to what extent it adds to the information already obtained from summaries and oral briefing sessions of Commonwealth governments by the United Kingdom Government. The following are our tentative comments.

All the essential points made by Mr. Heath in Paris seem to have been covered in the summaries and oral briefings. In particular, the summary of the parts of the statement dealing with Commonwealth issues, which was given to Commonwealth governments before delivery, not only provides a fairly accurate and detailed account but, for the most part, paraphrases the full text.

Three points, however, would appear worth noting:

(1) The general tone of the speech is much more conciliatory towards the Six than could be gathered from the summaries. Without glossing over the difficulties, the British Government seems to have made an all-out effort to impress on the Six how strong is its desire to reach a settlement meeting the requirements of the Rome Treaty. The statement emphasizes Britain's intention to play its full part in the development of all aspects of the Common Market. On the other hand, the statement contains stronger language concerning the safeguarding of Commonwealth interests than that used in the summaries. ("I am sure that you will understand that Britain could not join the EEC under conditions in which this (Commonwealth) trade connection was cut with grave loss and even ruin for some Commonwealth countries.") Nonetheless, Britain's opening position would seem to fall short of those which New Zealand,

⁴⁹ Note marginale :/Marginal note:
Noted by PM Dec. 1. H.B. R[obinson]

Australia and Canada described to the United Kingdom as being minimum positions for safeguarding their interests.

(2) In order to illustrate the problems raised for the Commonwealth by Britain's accession to the Rome Treaty, the statement describes some of the specific difficulties that would be experienced by several Commonwealth countries. While those of Canada are not described in detail, general references are made to each area (materials, manufactures and agriculture) where our main difficulties would arise.

(3) The statement contains background information on Britain's position and on a number of secondary issues (e.g., position of Ireland, Britain's system of agricultural supports) which is of interest. It provides a more detailed view of Britain's opening position than could be gathered from information obtained previously.

547.

J.G.D./XIV/E/167.2

*Extrait d'une note du premier ministre du Royaume-Uni
pour le premier ministre*

*Extract of Memorandum from Prime Minister of United Kingdom
to Prime Minister*

SECRET

[London], November 28, 1961

As you know President de Gaulle has just been to stay with me for 36 hours at Birch Grove House and, although the visit was private, we naturally had conversations about the present world situation concentrating mostly on Berlin and the Common Market negotiations.

Regarding the Common Market negotiations President de Gaulle was not unsympathetic. He quite recognises the importance for the free world of the countries of the old Commonwealth, which he distinguishes from the African and Asian members (with the possible exception of India). He appeared to think that it would not be impossible to devise satisfactory economic arrangements to meet our preoccupations about the Commonwealth, although of course he was quite unspecific as to details. He was also quite definite in saying that he would like the United Kingdom to be able to join the Six. His difficulty however is that he feels that if Britain were to join the Six while maintaining the Commonwealth connection (which he admits to be valuable) the present character of the European Community would be altered and its political purpose might be undermined. I argued against this pointing out that it was surely in Europe's interest to assist Commonwealth countries, that the necessary exceptions to the Treaty of Rome would probably amount to only a small proportion of total European trade and that the future development of the Community must in any case depend on its inherent strength, which would surely be increased by British adherence with all our overseas links. I also urged him not to think that the negotiations could drag on for a long time; if Europe took a narrow view of the position, there would be a revulsion against the idea of allied unity which could only damage the free world as a whole. I do not know what impression our arguments made but I got the feeling that President de Gaulle would like to see a solution if he could adjust his mind to what must be to some extent a new view of the European Community.

As our talks were in the nature of a private exchange of views, we only propose to give a restricted account of what happened to the various allies and I should be grateful if you would therefore keep this message to the smallest possible circle.

548.

DEA/12447-40

*L'ambassadeur en Belgique
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Belgium
to Secretary of State for External Affairs*

TELEGRAM 820
SECRET. OPIMMEDIATE.

Brussels, December 4, 1961

Repeat for Information: London, Washington, NATO Paris, Paris, Tariff Del, Bonn, Hague, Rome, Geneva, T&C Ottawa, Wellington, Canberra from Ottawa, Finance, Bank of Canada, Agriculture, PCO Ottawa from Ottawa.

By Bag Vienna, Berne, Oslo, Helsinki from London.

BRITAIN AND EEC

British-EEC discussions are approaching the end of their preliminary or explanatory stage and will soon move into negotiating phase. This seems an appropriate time to take stock of the situation and to speculate on prospects.

2. The position which British had maintained up to now is that, on the one hand, they have declared their readiness to accept Rome Treaty and the political objectives of Community as outlined in July 18 Bad Godesberg Declaration. On other hand, British emphasized the value of Commonwealth and stressed the importance of trade between Commonwealth countries as one of the strongest elements in maintaining that association. Mr. Heath said that Britain could accept the general structure of Common External Tariff of Community and generally the common policies for agriculture and other areas covered by Treaty of Rome. He suggested that Commonwealth interests could be safeguarded by association, reduction in CET and special protocols.

3. The Six for their part, have warmly welcomed Britain's decision to seek membership in EEC, but they have strongly emphasized the European and corporate character of their community. They stressed the need to safeguard its dynamism, the careful balance under Treaty between benefits and disadvantages and the equilibrium of its economic, social and political objectives. They have firmly stated that they are not repeat not prepared to accept a dilution of Rome Treaty which would threaten to deter Community from its goal. Hence any special arrangements for Commonwealth countries would have to be limited in time, coverage and geographical areas.

4. The first rounds have thus brought out a basic difference in outlook. Britain tried to establish the principle that existing Commonwealth arrangements shall be maintained and negotiations confined to specific exceptions requested by Community. On other side the Six maintain that Britain's accession to EEC calls in principle for the elimination of all British preferential trade and economic arrangements though Community will be prepared to negotiate within stated limits, certain exceptions for Commonwealth. The question that arises is which side will give.

5. We believe the give will come from British side. From a negotiating standpoint the position of the Six appears to be much stronger since it derives in part from the fact that their Community is already in existence and is based on a ratified treaty whose provisions serve as legal and practical limits to the area of negotiation. Furthermore, their Community is a success as is attested by the number of outsiders who are now seeking to enter. Finally, the negotiating position of the Six is strengthened considerably by USA support for the Rome Treaty. British, on other hand cannot repeat not count on help of those among the Six who actively support

Britain's entry for they are precisely the "integrationists," or on the support of USA who have made it clear they don't want Community to be weakened. Mr. Heath could argue that it was Britain's decision to seek membership in EEC which moved USA Administration to launch a new approach to American trade policies; if the Six should make it impossible for Britain to join EEC USA Congress might not repeat not follow the Administration. To this the Six would reply that the best way to insure against a reversal of American thinking was for Britain to join under terms of Rome Treaty. The position of the Six is particularly strong in the field of manufactured products though less strong in some other sectors, such as association and tropical products where their position does not repeat not derive so directly from Treaty.

6. In these circumstances it seems to us there are two possible courses for British to follow in the next phase of negotiations. The first one would be to propose lists of priorities under the following types of possible solutions: (a) tariff-free quotas; (b) delayed alignment of BP rates of duty to CET; (c) lowering of certain rates in CET; (d) association status for a limited number of underdeveloped countries and territories of Commonwealth; (e) perhaps a few purchase commitments; and, finally (f) perhaps arrangements providing for indefinite continuation of preferences for very few items of limited trade value. The best Canada could hope for under this approach would be something like the following: (1) zero or low rates of duty for a limited number of products (mainly industrial materials); (2) some tariff-free quotas in British market and perhaps, in a few cases, in the markets of the enlarged Community; (3) special transitional arrangements of some kind under which our preferences in British market would be eliminated gradually over a fixed period; (4) perhaps, for very few unimportant items, arrangements maintaining preferences for an indefinite period; and perhaps, (5) other concessions in CET through negotiations.

7. A second course which Britain could follow would be to concentrate for time being on reductions in CET, tropical products and association. After settlement of these issues, at least in principle, British could then seek to lump all or most of the remaining Commonwealth problems, including notably manufactured products, under an arrangement which would have the effect of postponing a final decision until a later date. This might be possible under a protocol which would be subject to review at a certain date in future, as mentioned to use by Von Staden (Hallstein's Chef de Cabinet) and reported in our telegram 786 November 16.†

8. Of the two alternatives the latter would seem to be the less dangerous for Canada and more promising for the success of the initiative for the reduction of trade barriers on a world-wide basis;

(a) it would postpone decisions which if taken now, would be particularly unfavourable for Canada e.g., the transformation of preferences into reverse preferences involving in some cases differentials of over 30 percent;

(b) it would provide a breathing spell which could help to dissipate existing difficulties and improve the climate;

(c) it could provide an inducement for USA Congress to come through with liberal trade legislation; and,

(d) by the time "special arrangements" for Commonwealth would come up for review damage to Commonwealth trade might be minimized by progress towards "free trade for the free world."

9. The above is the simplified pattern emerging in our minds after talks in Commission, with Deniau in particular. He feels that what is most important in negotiations with Britain is to maintain the "force motrice" of Community, for it was the Rome Treaty as it stands which was forcing USA to revise their trade policies. Talking about the real difficulties posed by the existence of the Commonwealth and EFTA Treaty, he said he had not repeat not ruled out the possibility of some firm arrangements coupled with a "declaration of intent" between EEC and

Britain. It might be possible this way to safeguard the integrity of the Rome Treaty, to restrict damage to Commonwealth countries and to enhance the possibilities of rapid reduction or elimination of tariffs on a broader basis.

10. It seems to us that one conclusion which needs to be drawn is that British-EEC negotiations should be conducted in constant awareness of their impact on the new USA initiative and that no repeat no important decision including that on manufactured products should be taken without calculating their effect on progress of the initiative in Washington. From our talks here we have the impression that Commission is more aware of this factor than British.

549.

DEA/12447-40

*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 4336

London, December 4, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Minister of Finance Ottawa (OpImmediate) from Ottawa.

COMMON MARKET NEGOTIATIONS

This afternoon I have received a copy of a Confidential telegram dated December 2 from CRO to British High Commissioner in Ottawa, Canberra and Wellington, on the above subject.

2. In view of past delays I thought I should forward text to you at once.
3. Text is

“Last weeks discussions in Brussels made it quite clear that we cannot repeat not expect to make any progress on treatment of manufactured goods from industrially advanced Commonwealth countries so long as we go on insisting on the principle of maintaining existing arrangements for their entry (free of duty or at preferential rates) into Britain. Indeed, to continue to do so is liable to be counterproductive. We had of course foreseen this and had warned Commonwealth governments in our consultations with them that we should not repeat not be able to maintain this line. Paragraph 39 of the Lord Privy Seal’s statement of October 10 is relevant.

2. Our assessment is that the best course will now be to explore with the Six, without commitment, the various possible measures within the ambit of the Treaty of Rome which might be applied to the various items of this trade in order to offset or mitigate the effect of adopting the Common Tariff. In other words, the purpose of the study would be to consider, product by product, what difficulties would be likely to arise and to find ways of dealing with them.

3. We are likely to express readiness to proceed as above at the Ministerial Meeting on December 28. The contemplated study would then no repeat no doubt be remitted to officials of the seven governments and European Commission. Although the study would be without commitment, questions of the relative importance of various items, of priorities between them and of the various alternative methods of dealing with them, are bound to come up for discussion. We shall need advice from Commonwealth governments on these questions if we are to get the best results in their interests.

4. Please explain position to Commonwealth authorities as above and say that we can count on their cooperation. We hope that they will put their representations in Brussels and for London in a position to give us prompt advice on these matters.

5. Please further explain to Canadian/New Zealand authorities that one possible course which was brought up for consideration in September consultations with Commonwealth was idea of "basket" quota for manufactures in respect of which trade in individual items is too small to merit individual duty quotas. Under such a scheme an overall quota for groups of items would be fixed possibly with maximum figures fixed within it for separate items to prevent undue concentration on a few of them. The scheme would probably have to be administered by the exporting country. Canadian/New Zealand Government should know that this may well be among proposals we shall wish to study. It was not repeat not raised formally at meetings with Canadian officials in September but we were asked informally whether we had considered it. It is originally an Australian idea.

6. We are considering arranging a meeting shortly in London with representatives of the three Commonwealth countries to examine this idea."

[GEORGE] DREW

550.

DEA/12447-40

*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 E-2509

Ottawa, December 8, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 4383, Dec 7/61.†

Repeat for Information: T&C.

BRITAIN AND THE COMMON MARKET

As you will have seen from Mr. Hees' message,† Warren and Lane from the Department of Trade and Commerce will arrive in London to participate in the meeting on December 12. I assume that you will have already informed Mr. Sandys of this decision. If not you may now wish to do so.

2. For your information ministers here have agreed generally that Warren should be guided by the following terms of reference:

"That such officials express disappointment and concern that the British authorities seem prepared to accept the view of the Six that continuance of existing arrangements for free and preferential entry of Commonwealth manufactured goods to the UK market is not a practical possibility;

That such officials should limit their participation to the provision of technical comments and statistical and market information;

That such officials make it clear that their participation is entirely without prejudice to the general position of the Canadian government on any aspect of the current negotiations or their outcome."

3. Warren will of course proceed with great circumspection and caution in these discussions. Warren will be in touch with you on arrival.

[H.C.] GREEN

551.

DEA/12447-40

*Le haut-commissaire au Royaume-Uni
au premier ministre*

*High Commissioner in United Kingdom
to Prime Minister*

STRICTLY PERSONAL AND CONFIDENTIAL.

London, December 15, 1961

My dear John [Diefenbaker]:

I fully realize the extremely delicate problem of interpretation of the Common Market situation until it takes a clearer form. However, there is one aspect of this problem which I am inclined to think has become obscured in the minds of many of those who are discussing this problem in the British House of Commons, and which has a very direct bearing on the extent to which the British Government has any right to go in committing itself in any way which would affect the Ottawa Agreements of 1932.

When Mr. Macmillan placed a resolution before the House of Commons seeking approval of the application of the British Government for membership in the Common Market under the Treaty of Rome, the resolution adopted by Parliament on August 3rd last which gave him his precise mandate, and a mandate which has never been extended, was in these words:

“That this House supports the decision of Her Majesty’s Government to make formal application under Article 237 of the Treaty of Rome in order to initiate negotiations to see if satisfactory arrangements can be made to meet the special interests of the United Kingdom, of the Commonwealth and of the European Free Trade Association; and further accepts the undertaking of Her Majesty’s Government that no agreement affecting these special interests or involving British sovereignty will be entered into until it has been approved by this House after full consultation with other Commonwealth countries, by whatever procedure they may generally agree.”

May I emphasize that this mandate was given only under the following explicit undertaking: “... that no agreement affecting these special interests (the interests of the Commonwealth) or involving British sovereignty will be entered into until it has been approved by this House *after full consultation with other Commonwealth countries, by whatever procedure they may generally agree.*”

The British Government has implicitly, if not in precise terms, already made very substantial commitments. As was reported in my telegram No. 4467 of December 12th,† Heath went still further and used the following words during the briefing he gave the High Commissioners on Monday last: “I cannot give an undertaking that at no time will it be necessary for us to make a decision in part before dealing with the whole.” I am sure the wording of the resolution I have underlined accounts for the fact that in the House of Commons and in public statements Heath and other members of the Government have insisted on referring to the meetings, at which the High Commissioners are given a mere summary of what has taken place, as “consultations.”

At the meeting last Monday I pointed out that this term had been used, and I asked if it was the intention of the British Government to make any statement to the press following the meeting. Heath said that a statement would be made and that if this were not done there would be loose speculation. After a very brief discussion it was agreed that the statement should go no farther than to say that the representatives of the Commonwealth Governments in London were briefed by Mr. Heath on last week’s European Common Market meetings in Brussels.

Reference was made to this again before the close of the meeting, and it was definitely understood that the statement would not go beyond that.

When the press representative of the Commonwealth Relations Office gave a statement to the press, it did go beyond that. The following is the quotation from the *Daily Telegraph* of Tuesday, December 12th:

“Representatives of the Commonwealth High Commissions in London were yesterday briefed by Mr. Heath, the Lord Privy Seal, on last week’s European Common Market meetings in Brussels.

“The meeting was part of the agreed arrangements for Commonwealth consultation on the Common Market. Another part of this consultation will be meetings in London over the next few days between Commonwealth officials and experts from the various British Ministries concerned.”

You will see that in the second paragraph these words were included: “The meeting was part of the agreed arrangements for Commonwealth consultation on the Common Market.”

I think it is obvious that this breach of a clear understanding and this particular wording, which is in no way justified by the nature of the meetings which by no stretch of imagination could be regarded as consultations, indicates an attempt to create a firm impression in the minds of the members of the British House of Commons that there has been, in the words of the resolution, “full consultation with other Commonwealth countries, by whatever procedure they may generally agree.”

I have not taken up this last case of calculated misinterpretation, and it is not my intention to do so. It did seem to me, however, that in view of the announcement that Heath is going to be in Ottawa, I should explain to you just what has been taking place. This is not a case of careless wording. After the first of the three briefings which have been given, Heath used the word “consultation” in the House of Commons to describe that meeting of the High Commissioners. In a very polite and friendly letter I pointed out to him that this was obviously not consultation, but merely briefing. With that in mind the statement given to the press by Alastair Scott of the Commonwealth Relations Office last Tuesday does have some special significance.

I am not so much concerned with the fact that the members of the British House of Commons may have the wrong impression, but I am concerned about the possibility that by the constant repetition of the statement that these “briefing” meetings in London are “part of the agreed arrangements for Commonwealth consultation on the Common Market” may form the basis of an argument that these meetings of High Commissioners were accepted by the Commonwealth Governments without challenge as “full consultation with other Commonwealth countries, by whatever procedure they may generally agree” in accordance with the terms of the motion approving the British application under Article 237 of the Treaty of Rome.

I do suggest that this may have reached a point when it could become extremely important, from the point of view of Canada’s future position, that a private letter go to Mr. Macmillan pointing out what the terms were and also making it clear that there has been no agreed arrangement for consultation, and that no such consultations have taken place. I can easily imagine a situation arising in which the British Government would argue that these meetings had been described on a number of occasions as consultation under an agreed procedure, and that in the absence of any objection on the part of the Commonwealth Governments they had assumed that this interpretation of the meetings of the High Commissioners was acceptable to the Governments of the Commonwealth.

There is the further point that these reports, effectively distributed in Canada by the United Kingdom Information Service through its branches in Ottawa, Quebec, Montreal, Toronto,

Winnipeg, Edmonton and Vancouver, as well as by mimeographed information releases, could contribute still further to the misunderstanding of this problem which was so carefully created through these same agencies in the first instance. I might add that to my personal knowledge Scott, the Information Officer of the Commonwealth Relations Office, has been extremely busy implanting in the minds of representatives of Canadian newspapers in London, as well as our radio commentators, the very kind of ideas which have found their way into our own newspapers at home. That may be regarded here as a legitimate method of dealing with a subject of this kind, but, whatever our opinion may be in that respect, it does seem to me that it is something which should not be overlooked. It may be of interest to you, for instance, that I know without any uncertainty that during the time Duffy was writing his completely false reports from London⁵⁰ he had on one evening spent two hours with Alastair Scott at his own house. I mention this only to indicate that the United Kingdom Information Service is not playing with kid gloves.

Having regard to the wording of the motion which authorized the British Government to make its application, and the pattern of official reporting which is appearing in the press, I do venture to suggest that there might be some reason, when expressing confidence in Mr. Macmillan's assurances, that your statement in that respect would be to the effect that you have full confidence in Mr. Macmillan's undertaking that no agreement affecting the interests of the Commonwealth will be entered into until there has been full consultation with the other Commonwealth countries, by a procedure upon which *they may generally agree*. My thought is that this would only be stating in explicit terms exactly what Macmillan's undertaking actually is, that there could be no conceivable objection to a clear statement of those words, and that their use would prevent any misunderstanding in the future as to the basis upon which confidence has been expressed.

All of the best.

Yours ever,

GEORGE DREW

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DEA/12447-40

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

LETTER NO. 1925

London, December 29, 1961

CONFIDENTIAL

Reference: Our telegram 4468 of 12th December.†

BRITAIN AND THE E.E.C.: MEETING ON MANUFACTURED ITEMS,
LONDON, DECEMBER 12, 1961

The Board of Trade have provided minutes of the meeting held on December 12 in London for the purpose of a technical discussion of the Australian proposal for a "basket" scheme for dealing with exports of manufactured goods from Canada, Australia and New Zealand. As

⁵⁰ Voir/See Robert Duffy, "No Snub Meant by Missing Talks, Drew Declares," *Globe and Mail*, November 13, 1961, p. 1; "Heath Text is Released by Britain," *ibid.*, November 27, 1961, p. 1; "Heath Speech Controversy: Ottawa Assailed by British Press," *ibid.*, November 29, 1961, p. 1.

agreed at the meeting, the Board of Trade have prepared a “commentary” on the paper circulated by the Australian representatives and on the discussion.

2. We are attaching three copies each of the minutes and the commentary;⁵¹ we are sending one copy of each to the Canadian Embassy, Brussels, one to the Commercial Division, London, and are retaining one for our records.

D.R. TAYLOR

[PIÈCE JOINTE/ ENCLOSURE]

*Procès-verbal de la réunion
des officiels de l’Australie, du Canada et la Nouvelle-Zélande
Minutes of Meeting
of Australian, Canadian and New Zealand Officials*

CONFIDENTIAL

[London], December 13, 1961

ALTERNATIVE METHODS OF ENTRY FOR MANUFACTURED GOODS

Present

(Chairman)

Mr. C.M.P. Brown (Chairman)

Canada

Mr. J.H. Warren, Mr. A.W.A. Lane, Mr. D.R. Taylor, Mr. S.G. Tregaskis

Australia

Mr. G.P. Phillips, Mr. G. Warwick Smith, Mr. J.H. Richardson, Mr. P.J. Whitelaw

New Zealand

Mr. K.C. Durrant, Mr. J.R. Martin

Board of Trade

Mr. W. Hughes, Mr. S.L. Edwards, Miss N.K. Fisher, Mr. S. Abramson, Mr. W.J.L. Plowden

C.R.O.

Mr. J.R.A. Bottomley

M.A.F.F.

Miss B.M. Shedden

Mr. Brown said that, at a meeting in September, Australian representatives had put the idea of “basket” quotas forward as a suggestion for securing continued free entry to Britain for minor manufactured goods for which individual arrangements could not be made. The suggestion had been discussed at the time with Australian officials only. The purpose of the present meeting was to discuss the technical aspects of the proposal jointly with Australian, Canadian and New Zealand officials, and in particular to see whether they could offer any advice on, for example, its practicability and possible coverage. This technical discussion would be without prejudice to the questions of policy involved.

2. *Mr. Warren* said that he should make clear the terms of Canadian participation in the meeting. The Canadian Government had been extremely disappointed at what appeared to be the United Kingdom Government’s apparent acceptance of the Six’s view that the present Commonwealth preferential arrangements could not be continued in the event of British entry

⁵¹ Commentaire non reproduit.
Commentary not reproduced.

into the Common Market. Canadian participation in the present meeting would be limited to providing statistical and technical information and should not be seen as implying any agreement with the principles involved or as prejudicing the attitude of the Canadian Government on this matter.

3. *Mr. Warwick Smith* said that Australian officials were still only exploring the idea. They had not yet put it to Australian Ministers and indeed could not do so without a good deal of detailed examination of the products concerned. They would not wish to put this work in hand unless it were clear that the idea had attractions for the other Commonwealth countries concerned. They had not expected that it would come up for discussion at such an early stage, since it was intended to deal only with the residual items for which it was not found possible to make individual arrangements. Its extension to other items should not necessarily be ruled out, but this would alter the nature of the arrangement.

4. *Mr. Warren* said the orders of magnitude of the trade involved in the case of Canada were different from those in the case of Australia and New Zealand. Canada exported \$129 million of industrial manufactures (excluding newsprint and synthetic rubber) to Britain and \$48 million of processed foodstuffs. Some of these exports were very large, but many were small; there were, for example, 268 items of which exports were less than \$500,000. The question of which commodities should be treated as residual was therefore very important for Canada. In view of the pace of technological change, it would be very important that any arrangements for residual items should make allowance for the growth of exports and for new products. Where the competition to Canadian exports to Britain came from Europe, and where Canadian exports had been made possible only by the present preference, quota arrangements would not make it possible to maintain exports. Where the competition came from third countries quota arrangements would in effect maintain preferential treatment but unless allowances were made for growth, trade would be subject to a ceiling. Taking both these points into account, a "basket" scheme could not be represented as maintaining Canada's existing position in the British market.

5. *Mr. Durrant* said the New Zealand authorities had only tentative views at this stage on the basket proposal; they attached particular importance to making the arrangements as flexible as possible and to providing for the growth of trade and for trade in new items. In general they hoped that arrangements for new exports would so far as possible be made on an individual basis.

6. *Mr. Warwick Smith* circulated a note describing the Australian suggestion. A number of technical points, arising out of the paper, were then discussed.

7. *Mr. Warren* asked whether the concept was an arrangement for the transitional period only or of indefinite duration. *Mr. Warwick Smith* said that the proposal was for indefinite duration although it was contemplated that the arrangements would be subject to renegotiation from time to time.

8. It was agreed that the Board of Trade would prepare a commentary in the light of the discussion, and circulate it to High Commissioners' offices. (This commentary is attached).†

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DEA/12447-40

*Note du secrétaire d'État des Relations
avec le Commonwealth du Royaume-Uni
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Secretary of State
for Commonwealth Relations of United Kingdom
to Secretary of State for External Affairs*

CONFIDENTIAL

[London], December 29, 1961

COMMON MARKET NEGOTIATIONS

It may be helpful to review the position after the first month of negotiation.

We have made progress on a number of points. Agreement has been reached on the general level of common tariff which would apply if Britain joins the Community. Study is under way of British requests for nil tariffs. A large amount of factual and statistical material has been collated by ourselves and the Commission and circulated to the other Delegations. The Conference has commissioned a study of manufactured goods from developed countries of the Commonwealth. As regards less developed Commonwealth countries, agreement has been reached on a method of studying the problems involved. Finally it is agreed that the British Delegation should begin to explore with the Commission the implications of the economic union articles of the Treaty of Rome. Much of this progress is of procedural or preparatory nature and is therefore unspectacular; it is none the less an essential preliminary to negotiations on substance. The scope and variety of the issues is so vast that the subject matter has to be, so to speak, pre-digested and broken down into manageable sections before the real policy discussions can start.

The main problems on which we have not yet been able to start work are those of temperate agricultural products, of the common agricultural policy and of E.F.T.A. On the second of these delay was inevitable pending decisions the Six have to take between now and the end of the year, but there seems no reason to doubt that we shall be able to discuss agriculture with them in the New Year. The E.F.T.A. problem depends, of course, on the negotiations of the other members with the Six; these are unlikely to make much progress until our own negotiations are further advanced.

Although no Delegation has adopted delaying tactics, the tempo of the meetings has not been fast for several reasons. These include the preoccupation of the Six with their move to the second stage of the transitional period which we expected to take place on the 1st January; their determination to maintain a united front in talking to us, thus involving themselves in many preparatory meetings; the absence of any precedents for our negotiations and the consequent need to invent procedures as we go along, and the complexity of the subject matter and the need for careful preparation in every field. But we hope that the pace will now quicken.

The fact that the Commission was going to play a role of great influence in the negotiations was clear from the early meetings. But a more recent and positive development has been the establishment of a close working relationship between their Delegation to the negotiations and our own. The Conference is gradually falling into the habit of leaving it to our Delegation and the Commission to prepare the ground. The Commission have organised themselves well for these negotiations; they have appointed a Delegation of 12, who are divested of any other responsibilities and who report direct to the President of the Commission (Hallstein).

As regards the Commonwealth, the Six have expressly recognised in general terms the importance of protecting vital Commonwealth interests and need to take this into account in their discussions with us. But we shall no doubt have to continue to press them hard to draw the logical conclusions.

I think that a fair summing up of this month of negotiations would be that the preliminary task of refining the issues is going faster and in a rather more satisfactory way than we expected, though we have not yet reached the point where the whole picture is displayed and the big issues clearly emerge and neither side has moved from its initial position on the substance. The testing time is thus still to come.

I think your Government will know most of the above from your representatives in Brussels and London whom we have kept very fully informed. But I thought you might like to have a summing up of the state of play as at the Christmas recess.

[DUNCAN SANDYS]

3^e PARTIE/PART 3

RELATIONS AVEC DES PAYS PARTICULIERS
RELATIONS WITH INDIVIDUAL COUNTRIES

SECTION A

ROYAUME-UNI
UNITED KINGDOM

SUBDIVISION I/SUB-SECTION I

VISITE DU PREMIER MINISTRE DU ROYAUME-UNI
À OTTAWA, LE 10 ET 11 AVRIL, 1961
VISIT OF PRIME MINISTER OF UNITED KINGDOM,
TO OTTAWA, APRIL 10-11, 1961

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DEA/50412-40

*Procès-verbal de la réunion entre le premier ministre
du Royaume-Uni et le premier ministre*

*Minutes of Meeting between Prime Minister
of United Kingdom and Prime Minister*

SECRET. CANADIAN EYES ONLY.

Ottawa, April 10, 1961

Others present were:

Sir Norman Brook,
Mr. H.B. Robinson

Mr. R.B. Bryce,
Mr. P.F. de Zulueta.

Sir Saville Garner,

Mr. Diefenbaker asked *Mr. Macmillan* if there was anything he wished to say arising out of his meeting with President Kennedy.

Mr. Diefenbaker recalled that at the Commonwealth Prime Ministers' Meeting there had been a marked difference of opinion as to President Kennedy's views on China policy. At that time it was *Mr. Diefenbaker's* own impression, borne out generally by *Mr. Holyoake* but

challenged by Mr. Menzies, that within a month or so of his inauguration the President's attitude on China had already hardened against change. *Mr. Macmillan* said that he found it difficult to form an accurate impression of President Kennedy's attitude. The President's position in the country was at the moment strong and he thought that there was a tendency in diplomatic circles to overrate the resistant power of Congress. For the first year or two at least it did not seem likely to Mr. Macmillan that disappointed politicians could seriously harm the President.

Mr. Macmillan went on to say that it was above all in the sphere of Far Eastern and Southeast Asian policy that the President was vulnerable to domestic criticism. In Laos, for instance, the new Administration had, he said, accepted the policy which the United Kingdom had been advocating for several years. This shift in United States policy, objectively sound though it was, had nonetheless given rise to serious practical difficulties. At Key West the President had spoken very frankly on this score and had shown himself acutely sensitive to accusations of appeasement as well as to the possibility that if the worst happened a Democratic Administration would again have been in office at the outset of a war. In response to *Mr. Diefenbaker's* comment about growing criticism emanating from supporters of Mr. Nixon, *Mr. Macmillan* said that it would be very dangerous if President Kennedy were placed under political pressure on Southeast Asian policy. The Pentagon was still strong.

In a brief reference to the current situation in Laos, *Mr. Macmillan* said that there had been no reply from the Soviet Union to the United Kingdom proposals. He remarked on the unsuitability of Phnom Pehn as a site for the International Conference.

On China, *Mr. Macmillan* said that the new United States Administration was faced with problems somewhat similar to those it faced in policy for Laos. The problem of recognition was much more complicated than it had been in 1950 when the United Kingdom Government recognized Peking. In particular, recognition could no longer be extended to Peking without an accompanying decision and pronouncement on Formosa. From the United States point of view, it was obviously essential to avoid any implication that Formosa was *de jure* a part of mainland China. In this regard the question arose whether there was such a thing as "the China seat" in the United Nations, or whether it was possible to have two *de facto* Chinas. Again, might it be possible to reach an arrangement combining the entry of the Peking Government into the United Nations with an enlargement in the number of seats on the Security Council, a course of action which would appeal particularly to the new nations?

There was discussion of the tactical situation which would arise at the next session of the General Assembly. *Mr. Macmillan* thought that the United States Administration realized that the moratorium procedure would no longer succeed. He had agreed with President Kennedy that it was necessary to discover a procedural substitute which would not place the West at a disadvantage. If for instance the Peking government were to refuse to enter the United Nations unless its right to Formosa were acknowledged, this would be a satisfactory position from the Western point of view. *Mr. Macmillan* said that in such circumstances he would be inclined to the line that it was not for the United Nations to decide claims of that kind. If, however, the tactical situation developed in such a way that the Nationalist Chinese vetoed the Peking Government's entry, the West would be in a bad position.

There was a short discussion on trade with China. *Mr. Macmillan* gave figures of the increase in trade between the United Kingdom and mainland China and said that the United Kingdom Government was under continuing pressure from some sections of industry which believed that the revisions in CHICOM lists did not go far enough. *Mr. Diefenbaker* referred to the negotiations for the purchase of wheat and barley from Canada and speculated on the availability of foreign exchange to the Peking Government. *Mr. Diefenbaker* added that in recent days the representatives of the Peking Government had been requesting credit terms.

Mr. Bryce said that the Peking Government has shown a clear desire to make payments in sterling rather than dollars. He assumed that the source of this sterling was the Soviet Union.

Concluding his reference to Asian questions, *Mr. Macmillan* said that President Kennedy had asked the United Kingdom Government to play down the China issue as much as possible while the new Administration was in the process of thinking out its position. *Mr. Macmillan* said that he had agreed to do this to the greatest extent possible, bearing in mind the limitations imposed by announced policy.

Mr. Diefenbaker invited *Mr. Macmillan* to comment on reports that the United Kingdom was being pushed into Europe. *Mr. Macmillan* said that there had been a remarkable change in United States opinion in the past year. Broadly speaking, the Republicans had wanted to exclude the United Kingdom from Europe; the present Administration very much wanted the United Kingdom in Europe, mainly it appeared because they regarded the United Kingdom as a reliable ally whose influence they would prefer to have exerted within rather than apart from Europe. *Mr. Macmillan* expressed gratification with this development in United States thinking. If the present split continued NATO would break up. De Gaulle might not live long and if he were to go Germany might again soon dominate Europe with the resultant dangers.

Mr. Macmillan thought that the political obstacles were more important than the economic in obstructing the United Kingdom's movement towards Europe. Asked by *Mr. Diefenbaker* to elaborate, *Mr. Macmillan* said that if the political will existed, the technical economic relationships among the United Kingdom, the Common Market and Commonwealth countries could be worked out by negotiation. The difficulty lay partly with France and partly, he implied, with Commonwealth countries which feared that United Kingdom entry into Europe would affect their trade adversely. *Mr. Macmillan* indicated that there might be a lessening in French opposition to the United Kingdom's entry into Europe. A prosperous beginning in the Common Market had tended to remove the earlier objections of the French industrial leaders.

Mr. Diefenbaker said, assuming the United Kingdom were to go into Europe, what would happen to Commonwealth preferences, particularly with respect to agricultural products? *Mr. Macmillan* said: "We would have to negotiate – that is why we have not joined." Later in reply to a further expression by *Mr. Diefenbaker* of Canadian concern over the possible entry of the United Kingdom into the EEC, *Mr. Macmillan* admitted that the preferences in such an event could be reduced and went on to ask whether it was not better that the United Kingdom should join the EEC and become a live partner in a growing trade association than go bankrupt on its own and cease to be a profitable market. He saw the choice between the short run advantages of existing preferences with the longer term benefits of a larger and expanding market with lower preferences.

Mr. Diefenbaker again asked about the political relationship which *Mr. Macmillan* foresaw between the United Kingdom and Europe. *Mr. Macmillan* said he was not frightened of European common institutions. If there was a tariff, it was necessary to have an institution to administer it. Nor did he have objection to President de Gaulle's idea of periodic meetings of Heads of European Governments, although he had some reservations about the idea of a Secretariat to which the Dutch had already expressed strong objections. *Mr. Macmillan* referred to the WEU as a possible institutional framework within which the United Kingdom might be associated more closely with other Western European countries.

Mr. Macmillan ended the discussion on European questions by remarking that de Gaulle was not a federalist but a confederalist. There was no question of a single parliament for Europe which would in any case be unacceptable to the United Kingdom. *Mr. Macmillan* indicated that he was strongly inclined to do a deal with President de Gaulle so as to secure the kind of European confederation with which the United Kingdom could live and to do it before de Gaulle died. In the course of these and earlier remarks, *Mr. Macmillan* referred on two or

three occasions to his apprehension that Chancellor Adenauer's successor was apt to be a more dominant personality than de Gaulle's and Germany more likely to prevail than France in Europe.

Mr. Diefenbaker enquired whether *Mr. Macmillan* and President Kennedy had reached any conclusions regarding a NATO Heads of Government meeting. *Mr. Macmillan* said that President Kennedy had not mentioned this subject but that there had been some discussion on the future of NATO. The new Administration were not attracted to the Eisenhower-Herter-Gates plan for making MRBM's available to NATO. President Kennedy and his advisers understood the psychological reaction of President de Gaulle, who saw the Gates plan⁵² as an attempt to buy him off. Asked by *Mr. Diefenbaker* whether there had been any discussion in Washington of how to achieve satisfactory control arrangements in a nuclear policy for NATO, *Mr. Macmillan* said that this was a very awkward problem. He attributed most of the difficulty to President de Gaulle's insistence on being regarded as a nuclear power and being placed on an equal footing with the other great powers.

Mr. Macmillan recalled the different circumstances in which it might appear necessary to use or to consider the use of nuclear weapons. There was no question but that they would need to be used in retaliation against a nuclear attack by the enemy. A second situation, however, was not so clear, i.e. where there was a conventional attack in which at first the NATO forces would attempt to enforce a pause during which efforts would be made, perhaps through the United Nations, to bring about a settlement. The third phase would arise when conventional resistance could not hold the enemy. This was a stage at which the most difficult decision as to use by the Western countries might arise. *Mr. Macmillan* indicated that no solution had yet been found to this problem.

Mr. Diefenbaker asked about Mr. Acheson's emphasis on the need for an increase in conventional forces. Sir Norman *Brook* said that Mr. Acheson was talking in terms of priorities. In his view conventional forces should have first priority because *inter alia* the Gates plan would have exhausted more resources than the United States could afford to spend. *Mr. Diefenbaker* commented and *Mr. Macmillan* agreed that another argument adduced in support of an increase in conventional strength was to show that the West was not obliged to rely on nuclear power alone. Sir Norman *Brook* added that he thought that both President Kennedy and Mr. Acheson were strongly conscious of the positive danger of entrusting technical nuclear weapons to unit or formation commanders far removed from political control. Agreeing to this, *Mr. Diefenbaker* said that the United States military leaders were making fewer incendiary statements. *Mr. Macmillan* said that while this was true, President Kennedy had not yet firmly established his control.

Mr. Macmillan said that Mr. Rusk had contributed a valuable and balanced presentation on the political aspects of NATO with particular reference to the importance of improving NATO consultation. *Mr. Macmillan* referred particularly to the idea of regional committees, possibly with the addition of non-members (e.g. certain Latin American governments might be associated with NATO discussions on communism in the Caribbean).

Mr. Macmillan agreed with *Mr. Diefenbaker* that it was not feasible to think in terms of a collective NATO line at the United Nations.

Mr. Macmillan said that there had been no discussion between himself and the President on the problem of the Secretary-Generalship of NATO.

In a brief reference to Spain and NATO, *Mr. Macmillan* said that he "would not get away with supporting Spain's admission to NATO in present circumstances."

⁵² Voir/See Volume 27, document 186.

Mr. Macmillan spoke briefly and somewhat pessimistically about the outlook for the Geneva nuclear testing talks. There was no indication, he said in reply to *Mr. Diefenbaker*, that the Soviet side was responding to the conciliatory moves made at the opening of the resumed negotiations by the United States. *Mr. Macmillan* recalled that the Soviet Union had even retreated from a position which they had taken earlier by revoking their agreement to the single administrator of the proposed control body. He linked this shift in the Soviet position to the tactics which Soviet representatives have been following at the United Nations. They had unearthed a half forgotten tenet of Marxism – that there is no such thing as objective man. The United States, *Mr. Macmillan* continued, would not accept a three-man control body each of which would have effectively a veto. There was some tendency in Washington against continuing the negotiations in view of the Soviet attitude, but *Mr. Arthur Dean* was trying to prevent the talks from being broken off at this time. *Mr. Macmillan* indicated that he hoped *Mr. Dean's* efforts would be successful and said that the Russians might be playing a delaying game in the Geneva negotiations until they saw how things worked out over Laos.

Mr. Macmillan said that the United States were very worried indeed about Cuba. He thought that Kennedy well understood the risks posed by poverty in Latin America as an invitation to the spread of communism. The President appeared to feel that the revolution in Cuba had been something different from the ordinary succession of sudden political change which had characterized Latin American politics. The Cuban Government's involvement with the communist countries, however, increased the policy problem for the United States.

Mr. Diefenbaker referred to the recent Presidential message on development aid and asked *Mr. Macmillan* if the President had spoken of the need for contributions from other nations. There was no substantive comment from *Mr. Macmillan*. *Mr. Bryce* said that the United States had given up the 1 percent of GNP formula with which they had gone to the recent DAG meeting but that they were hoping that the European countries and Canada would do more.

Mr. Macmillan said that on the domestic scene President Kennedy would face a severe test in a few months. It was his hope in 1961 to complete certain major features of his domestic programme (e.g. schools). He would hope to avoid political conflict during this period. *Mr. Macmillan* estimated that unemployment in the United States might well rise and in reply to *Mr. Diefenbaker's* question said that to his knowledge President Kennedy had not found measures to curb rising unemployment. *Mr. Diefenbaker* referred to the similarities in the employment problems in the United States and Canada. In both cases there was increasing trade and an increasing gross national product; yet in both cases unemployment was increasing. *Mr. Macmillan* said that he believed that the appointment of *Mr. Dillon* as Secretary of the Treasury had been intended to show that the new Administration proposed to follow orthodox monetary policies. *Mr. Macmillan* estimated, however, that the pursuit of orthodoxy could lead only to increased measures of protection harmful to the trading partners of the United States. The new Administration could be less protectionist if it was prepared to expand the economy but this was feared as likely to lead to domestic inflationary pressures.

Mr. Macmillan said that his meetings with the President had been most profitable. He had been impressed by the President's readiness to allow an argument to proceed around him. The President was not tied to his position papers; he was an intelligent conversationalist and a good listener.

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Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], April 11, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenney).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

Also present

The Prime Minister of the United Kingdom (Mr. Macmillan),
 The Secretary to the United Kingdom Cabinet (Sir Norman Brooke),
 The United Kingdom High Commissioner (Sir Saville Garner).

DISCUSSIONS WITH THE PRIME MINISTER OF THE UNITED KINGDOM

1. *The Prime Minister* said he was glad that the Prime Minister of the United Kingdom had been able to visit Canada at this time and had agreed to meet with the Cabinet. He assured Mr. Macmillan that his presence was very welcome. Ministers would appreciate any remarks he might wish to make on the economic situation in Europe and on the international economic arrangements that were developing. Any observations on his recent conversations with the President of the United States would also be of particular interest.

2. *Prime Minister Macmillan* said he regarded it as an honour to be invited to speak to the Canadian Cabinet. This was the second occasion on which he had been given this privilege, and during his official journeys he had also met informally with the Cabinets of various other members of the Commonwealth.

The main purpose of his visit to Washington had been to establish personal contact with President Kennedy. The central point discussed had been the relative positions of the Communist countries on the one hand, and, on the other, the Free World with the Atlantic Alliance as its inner core. During the past twelve years the western nations had barely held

their ground, and that largely by means of N.A.T.O., but the Communist bloc had gained ground. Twelve years ago many observers had expected the Communist system to collapse, but no evidence impending collapse now existed. There were stresses, of course, as in any system: for example the organization of agriculture in the Communist countries was old-fashioned and its productivity was low. On the other hand, they had not lost control of any Communist country to the West and Austria was the only case of neutralization. The Russians considered that they had made a major error here in permitting this.

The Communists had been far more successful than Western nations with their propaganda. They could obtain more credit with \$50 worth of publicity than we could for \$500. A case in point at this time was Cuba.

President Kennedy had agreed in a general way that the Western nations needed better organization, not merely in military matters, but more particularly to achieve the maximum exploitation and development of the resources of the free world.

The present position in the Atlantic Community was paradoxical. After the war, Europe was a shambles, Germany had just been destroyed, France and Italy were weak, and the Low Countries had just suffered a period of enemy occupation. With the aid of U.S. money and by their own efforts, European countries had now established one of the most powerful industrial machines in the world. Germany was reaping the fruits of defeat: its debts were gone, and most of its industrial plant was completely new and up-to-date.

In the New World, on the other hand, the U.S. economy was not at a high level. The basic industries of that country were operating below full capacity, unemployment was high, and there was an atmosphere of uncertainty in economic matters. Canada's economy had been influenced by this lack. President Kennedy's testing time would arrive early in his administration, as he would have to show results within the next 6 to 12 months. Mr. Macmillan said he was confident that the President would succeed in doing so. One of the important questions was how he could expand the credit base of his country without producing inflation. The Americans were very sensitive about the dollar despite their vast gold reserves.

What were the lessons to be learned from the present economic situation?

First, it was essential that a better central banking system for the free world be established in the near future. The present system was too prone to be affected by chance events. The recent German revaluation had led to a vast amount of speculative buying of deutschmarks and selling of sterling in the London market. Fortunately, the movements of speculators had been largely countered by concerted actions of the central banks concerned.

Secondly, there was need for freer trade. Almost everybody favoured free trade in principle, but in fact most people wanted protection for their own goods. This pressure for restrictive measures could not be resisted unless the monetary and credit system made possible an expansion of production. If a country had more jobs than men, as the U.K. had, the major concern was not unemployment and tariffs but inflation and imbalances of payments. In these circumstances, public pressure for a reduction of tariffs would develop. The economic position of the free world would be bound to suffer if the nations began to set up trade barriers and to suggest that the purchase of imported goods was somehow disloyal. The Iron Curtain was one regrettable barrier: the situation should not be worsened by trade curtains between individual nations of the free world. But with high unemployment it was more difficult for governments to support freer trade and easier to justify restrictions on imports.

The trend was and had been toward larger trading areas. The U.S. had prospered in the later nineteenth and early twentieth centuries because it was the largest free trade area in the world. During the great depression of the 1930's, the Commonwealth countries had established another vast trading system based on trade preferences as provided in the Ottawa Agreement. This system had also been beneficial, though on occasion it had caused some embarrassment to

its members. Since that time important changes had occurred. For example, the Ottawa Agreements had not contemplated the present situation in which Commonwealth members were flooded with low-cost imports from Hong Kong.

During the past few years two more large trading areas had developed, the Six and the Seven. The Seven should now be called the Eight, as Finland had joined E.F.T.A.; this was a source of satisfaction, because Russia had been expected to prevent Finland from joining.

The free world now had four major trading areas, the Six, the Eight, the Commonwealth and the United States trading area. These large trading units had developed in response to the technological revolution. For example, a few decades ago printing two or three thousand copies of a book might be profitable, but now in the United Kingdom a minimum of twenty thousand copies had to be produced if costs were to be covered. Similarly, in the automobile industry the greatest expenses now were not in the actual manufacturing but in the tooling. Modern production demanded large sales areas and large amounts of capital. This larger base had created the necessity for larger trading areas.

The industrial side of this international cooperation was much easier to organize than the agricultural side. The agricultural aspect of the Six was very much "en principe." One reason why France had joined was that she had a surplus of farm products and hoped to sell inside the Six. German agriculture was strong, however, and in an election year Adenauer was unlikely to agree to settle the agricultural arrangements under the Six. In addition, German industrialists were concerned about the possibility that, if Europe became agriculturally self-sufficient, the volume of their industrial exports might shrink. Probably the negotiations would produce some form of compromise.

The government of the United Kingdom had held many discussions with representatives of the Six. Any arrangement that might be reached between them, however, would have to take full account of three major factors. First, the U.K. would not enter any agreement with the Six except after detailed discussion with the Commonwealth, having full regard to the broad terms of the Ottawa Agreements. Second, any such agreement must carry the Eight, including the political neutrals (Sweden, Switzerland and Austria). Obviously, therefore, adjustments would be involved. Third, any such agreement must fully recognize the problem of British agriculture.

The negotiations with the Six were likely to continue for some time, but they were not inherently difficult. The Six had adopted various main principles as the basis of their common market, but there had been many derogations from these main principles as applied to individual member-countries.

The U.K. would be able to reach agreement on the economic side with the Six, but on the political side the real question was whether France wanted the U.K. to join the Six. In present circumstances, the French appeared to be delaying. He believed that one of the principal reasons for President de Gaulle's reluctance to press forward with negotiations was the latter's view that the Anglo-Saxons had "run the show" for too long. Since de Gaulle had assumed the leadership in France, that country had become vastly more powerful and stable. The General recollected vividly the fact that Churchill and Roosevelt had treated him as the head of a refugee government, which had been the fact, but he resented it. Hence he was critical of almost any action the U.K. government might take. He wanted little part in the U.N. He had asserted that the military arrangements under N.A.T.O. were ridiculous and he had withdrawn the French navy from the N.A.T.O. forces.

N.A.T.O. had achieved important successes. After the fall of Czechoslovakia, it had appeared to many that Western Europe might be lost to the Communists, and it had been N.A.T.O. above all that had stemmed this tide. At this time, however, the alliance needed remodelling, not merely in a strictly military sense, but above all in spirit. It should be

recreated for a new role, the organization of the Free World in the next phase of the struggle with Communism. This struggle might last for many years, principally in the form of competition in the fields of material wealth and spiritual strength, but possibly with occasional military probings. Trade, credit and standard of living were therefore questions of critical importance for the future, and on the spiritual side the same was true of the broad common principles of the West, notably liberty and Christian faith. Unless N.A.T.O. was remodelled along these lines, it would begin to wither.

3. *Mr. Diefenbaker* thanked Mr. Macmillan for his statement, and said he believed that the meeting between Mr. Macmillan and President Kennedy had been most beneficial. He was glad that attention was being focussed on the urgent need to strengthen the free world economically and in terms of unity. On tariffs, spokesmen for the U.S. were in favour of an expansion of trade, but in practice U.S. imports from Canada were chiefly raw materials. This had apparently not altered under the new U.S. administration. He hoped that Mr. Macmillan would achieve his objective of producing great international changes of the kind he had mentioned, and "in a hurry."

R.B. BRYCE

556.

DEA/50412-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*

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

SECRET

[Ottawa], April 26, 1961

VISIT OF MACMILLAN

It may be useful to record some delayed random impressions of Mr. Macmillan's visit as a supplement to the Minutes of his meetings with Mr. Diefenbaker.

2. The outstanding impression which I gained from hearing Mr. Macmillan speak to Mr. Diefenbaker and from comments made by de Zulueta, Mr. Macmillan's private secretary, was that President Kennedy and his leading advisers had made a favourable impression on Mr. Macmillan. Running through Macmillan's remarks was a thread of almost surprised gratification at the degree to which the outlook of Kennedy and his advisers approximated that of the United Kingdom Government. Such remarks were often coupled with rueful recollections of policy disagreements with members of the Eisenhower Administration. The principal illustrations of what Mr. Macmillan took to be a new approach on the part of the United States were China, Laos and United Kingdom relations with Europe.

3. Mr. Macmillan continually referred to the practical difficulties faced by the President, particularly in Asian questions. Mr. Macmillan made it clear that it would be a cardinal principle of United Kingdom policy in the coming months to do everything possible to avoid creating difficulties for the United States in Asian affairs. At one point Mr. Macmillan said that the United Kingdom Government must not "crow" over the attraction which its previous policies had apparently had for the new Administration in Washington.

4. De Zulueta told me that Mr. Macmillan had two fairly long private talks with President Kennedy and that these had established a "reasonably good relationship." According to de Zulueta, Kennedy was particularly cautious in discussion. He asked frequent questions not only of Mr. Macmillan but of his various advisers. It had been extremely difficult to tell what Kennedy thought on questions into which he did not himself enter. I gathered that he had come

out strongly on China and Laos. On the United Kingdom's relations with Europe, he had been much less talkative, although he had said that he favoured the United Kingdom's move toward Europe. De Zulueta thought that the United States side, while they were conscious of the difficulties facing the United Kingdom in negotiating a deal with the EEC, had not really taken aboard the reality or the complexity of the problem of Commonwealth preferences. They had not seemed to realize that for the United Kingdom something very complicated in the way of a special relationship with the EEC would be necessary.

5. De Zulueta said that Mr. Macmillan had derived the impression that the present Administration in Washington was a good deal less pro-German than its predecessor and thus more conscious of the possibility of the Federal Republic becoming dominant in Europe after de Gaulle had passed from the scene. De Zulueta thought that the principal motive for the vigour of American support for United Kingdom entry into Europe was the desire to have the United Kingdom fully engaged in European affairs and available with its influences and, as Mr. Macmillan put it, its reliability to act as a stabilizing factor vis-à-vis Germany and France. On one or two occasions during the discussions with Mr. Diefenbaker, Mr. Macmillan revealed traces of apprehension about the possible role of Mr. Strauss as a potential successor to Chancellor Adenauer. At another time he reported President de Gaulle's remarks, which de Gaulle had also made to Mr. Diefenbaker in 1958, that temperamentally France did not respond well to sustained periods of strong government. De Gaulle clearly thought that when he relinquished power he would be succeeded by comparatively weak régimes.

H.B. ROBINSON

SECTION B

AFRIQUE DU SUD SOUTH AFRICA

SUBDIVISION I/SUB-SECTION I

EFFET DU RETRAIT DE L'AFRIQUE DU SUD DU COMMONWEALTH EFFECT OF SOUTH AFRICA'S WITHDRAWAL FROM THE COMMONWEALTH

557.

DEA/11827-40

Note

Memorandum

CONFIDENTIAL

[Ottawa], April 5, 1961

CONSEQUENCES OF SOUTH AFRICA'S WITHDRAWAL FROM THE COMMONWEALTH⁵³

A number of practical questions of varying importance and urgency are raised by South Africa's decision to withdraw from the Commonwealth on May 31, 1961. This memorandum attempts to identify these issues and to review briefly the relevant considerations, bearing in mind that we have limited information at present on the views of either South Africa or of

⁵³ Note marginale /Marginal note:
Seen by Prime Minister. H.B. R[obinson]

other Commonwealth countries as to relations between them after May 31. We do know that the United Kingdom Government consider there is no problem about South Africa's remaining in the sterling area since that area already contains some foreign countries. The United Kingdom Government has also introduced a standstill bill to maintain the existing legislation for a specified, limited period immediately following May 31, in order to allow the British authorities time to work out all the details of the future relationships of the United Kingdom with South Africa.

2. Broadly speaking, three main approaches to our future relations with South Africa suggest themselves:

(a) *The Irish Solution*

When the Republic of Ireland was proclaimed in 1949, the last ties with the Commonwealth were cut, but, by legislation in the United Kingdom and the Dominions, Irish citizens were not to be classified as aliens. Furthermore, Ireland was to continue to enjoy Imperial trade preferences. In Canada a statute of 1950 (14 George VI, Chapter 29) amending the Canadian Citizenship Act, excluded citizens of the Republic of Ireland from the category of alien or foreign.

Particularly for the United Kingdom, but also for other Commonwealth countries, there were special reasons, both positive and negative, for adopting this policy. These included trade, geographical proximity and the large Irish element in the United Kingdom population. The Dominions too were, no doubt, conscious of their populations of Irish extraction. Moreover, there was no issue between Ireland and the other Commonwealth countries comparable in importance and complexity to the racial issue which now divides South Africa from the rest of the Commonwealth. Therefore, the Irish solution seems, as a whole, less applicable to the present situation. This appears to be the conclusion reached by both the United Kingdom and the New Zealand authorities. If the Irish precedent were followed, the Canadian Government might be open to criticism from the Afro-Asian countries and from some groups within Canada that we were making a mockery of the South African withdrawal by allowing South Africa, after its withdrawal, all the practical benefits it enjoyed as a member;

(b) A second possible solution is one examined by United Kingdom officials, namely a "special relationship" with a friendly foreign power such as existed between the United Kingdom and Jordan and between the United Kingdom and Libya. This solution appears to have little, if any, applicability to the present situation as between Canada and South Africa;

(c) A third solution, and the one probably most appropriate in the present situation, would comprise a series of *ad hoc* decisions applicable to a friendly foreign country whose relations with Canada are bound to be governed from now on by the existence of the acute Canadian-South African difference over the racial issue. It would be difficult in these circumstances to give any kind of preferred treatment to South Africa.

3. *Specific Aspects of the Situation*

(i) *Trade*

Canada's exports to South Africa in 1960 exceeded \$52 million and our imports were about \$11 million. This tendency towards a large trade balance in Canada's favour has persisted for many years and can be expected to continue if the basis of trading relations between the two countries is not substantially changed.

Our trading relations are based in part on a Trade Agreement embodied in a Statute (23 George V, Chapter 3) dating from 1932; it would not necessarily be affected by South Africa's withdrawal from the Commonwealth. Moreover, GATT rules present no problem for the continuation of the preferences we exchange under this Agreement. Positive action by one

party or the other would be required to terminate this Agreement. In 1960 about \$20 million of our exports and over \$6 million of our imports were governed by the 1932 Agreement.

Apart from the binding of rates of duties and margins of preference for some specific products listed in the schedules of the Trade Agreement, both countries have exchanged Most-Favoured-Nation tariff treatment since 1935 on all other goods. In addition Canada has for many years extended to South Africa, without contractual obligation, the benefit of British Preferential Tariff rates under Section 3(2) of the Customs Tariff, wherein they are listed as a "British country." This tariff treatment is not reciprocated by South Africa. Canada could legally withdraw this privilege by an Order-in-Council under Section 4(1)(b) of the Customs Tariff.

From the foregoing it would appear that:

(a) In the absence of specific action by either country, the existing trade arrangements, including the granting of non-contractual preferences, would continue after May 31 if both the Canadian and the South African Governments would be prepared to have South Africa continue to be regarded as a "British country" within the non-political meaning of the Customs Tariff. If it were decided as a matter of Government policy to allow the existing arrangements simply to continue, it would presumably be desirable to consult the South African Government to confirm the understanding, and for an appropriate statement to be made in the House. If either South Africa or Canada objects to having South Africa described as a "British country" in our Customs Tariff, but it is nevertheless desired to continue the existing arrangements, steps could be taken to amend Section 3(2), for example, by introducing some alternative wording to replace "British country."

(b) To terminate or to alter the present preferential arrangements would require positive action in the form of either or both of the following:

(i) Either country terminating the Trade Agreement on giving six months notice.

(ii) Canada withdrawing the non-contractual part of the British Preferential Tariff from South Africa by Order-in-Council.

(c) While it is open to Canada to withdraw only the non-contractual preferences leaving the Agreement preferences intact, there would be no assurance that South Africa would not then itself terminate the 1932 Agreement or take other retaliatory steps to limit Canada's access to that important market.

(d) Whatever happens about the preferences, Canada and South Africa would continue as members of the GATT to accord each other ordinary Most-Favoured-Nation tariff treatment.

(i) *Consultation*

It is reasonable to assume that South Africa will in due course resign from the various Commonwealth consultative bodies, whether governmental, parliamentary or unofficial. This withdrawal would include meetings of Commonwealth delegations at the United Nations. It would seem unnecessary for Canada to take any overt steps to hasten the ejection of South Africa from any of these organizations, at least until Pretoria had been given a reasonable period of time to withdraw voluntarily.

(ii) *Diplomatic Representation*

No decision is called for on this score at the present time. We assume that our two countries will continue to exchange diplomatic missions. A change of nomenclature from High Commission to Embassy need present no difficulty.

(iv) *Export of Military Equipment*

Technically, the withdrawal of South Africa does not affect its status as a destination for the export of military equipment from Canada. In this field there are no longer any "preferred categories" (apart from NATO). As South Africa is a sensitive area, *all* applications for the

purchase of military equipment are subject to approval. In future, decisions on these applications could be governed by the best judgments available on whether any particular items were likely to be used aggressively or in police operations, that is, whether they could be considered as affecting race relations. The most difficult problem in this area might be that of spare parts for F-86s originally purchased from Canada and for which Canada is about the only remaining source of spare parts. In view of the foregoing considerations, it would seem that no new policy decision is required now in this area of our relations with South Africa, but that each case will be considered on its merits.

(v) *Safeguards on Nuclear Materials*

South Africa's departure from the Commonwealth has no direct bearing on its policy regarding the maintenance of safeguards on exports of uranium or other nuclear materials. It is possible, nevertheless, that a growing sense of isolation and frustration may make South Africa less willing to cooperate with other Western suppliers and more eager to grasp any business opportunity which may arise. It is not unlikely that South Africa will have an export surplus in the future and this could – in the present condition of the world market for uranium – create unwelcome competition for Canadian producers, particularly if South Africa were to abandon its present by-no-means enthusiastic support for safeguards.

Another possibility is that South Africa might now become interested in feasible ways of developing atomic weapons. Moreover, the presence of uranium in the Union might suggest to other African countries the possibility of such a development and lead them to seek counteraction.

In these circumstances, it would be in our best interest to continue, if possible, our close cooperation with South Africa in the International Atomic Energy Agency and elsewhere. We should also encourage them to continue not to sell uranium without adequate safeguards.

(vi) *Defence*

There is no specific defence agreement between Canada and South Africa and no South African military personnel are visiting Canada at present. One relatively minor problem arises from the fact that the Union is specifically covered by the 1932-33 Visiting Forces (British Commonwealth) Act in which the definition of a "Visiting Force" specifically includes the Union of South Africa. At some future date it will be necessary to amend the Act by excluding South Africa from the list. There appears to be no reason for doing this now since cases of South African "Visiting Forces" have not arisen and are not likely to arise. At present, because of the date of the Act, only the United Kingdom, Australia, New Zealand and South Africa are specifically listed. A general amendment of the Act to bring it up to date with the present membership of the Commonwealth might be considered and at that time South Africa could simply be dropped from the list of Visiting Forces.

South Africa will presumably withdraw from the Commonwealth Advisory Committee on Defence Science, which is the only body of its kind in which both Canada and South Africa have membership. Ghana, Malaya and Nigeria are also members.

(vii) *Communications*

Consultations in this field are taking place with the Department of Transport, but at first glance there do not seem to be any significant problems requiring immediate consideration and solution. The Commonwealth Air Transport Council has been dormant and South Africa's withdrawal from it will have no practical effect. The Commonwealth cable has not yet reached anywhere near South Africa and, in any case, the plans for it are sufficiently flexible to allow for its completion without South African participation, although the costs and the economics of operation would, of course, be affected.

South Africa has taken no part in discussions on Commonwealth cooperation in space research.

South Africa, in common with all Commonwealth countries and Ireland and Burma, enjoys preferential cable rates on both press and ordinary telegrams. In 1945-46 the United Kingdom on behalf of the Commonwealth offered these special rates to any foreign nation which would reciprocate and pay in dollars but only the USA and the Netherlands accepted and at slightly less favourable rates (5¢ rather than 2¢ per word on press cables). In view of the participation of non-Commonwealth countries, there would seem no reason why South Africa should not continue to enjoy these rates provided they were prepared to continue reciprocating. In addition, under a Commonwealth agreement of 1948, certain Commonwealth countries, including South Africa, participate in a wayleave system under which there is a pooling of expenses and revenues from cable and telephone messages between Commonwealth countries. This agreement does not provide for the expulsion of a member but does provide that a party to the agreement may withdraw voluntarily after two years' notice. To date South Africa has given no indication that it intends to withdraw.

There is no formal agreement with South Africa covering postal rates and we have applied the domestic tariff, rather than the higher normal tariff, to South Africa as a courtesy (as we do in the case of other Commonwealth countries, France, and the ex-Commonwealth countries of Ireland and Egypt). Consideration will have to be given to the question of whether the domestic tariff should continue to apply.

As a general principle, it would, nevertheless, be advisable for us to do what we can to avoid disrupting any practical existing machinery or arrangements which contribute to more effective communications.

(viii) *Commonwealth Scholarship and Fellowship Programme*

We must assume that South Africa will cease to participate in the Commonwealth Scholarship and Fellowship Programme which was conceived as an aid to members of the Commonwealth exclusively. While, at a later stage, we might want to consider with South Africa a bilateral project along similar lines, the immediate problem is what to do with candidates about to be elected to bursaries in either South Africa or in Canada.

This problem may solve itself as a result of informal discussions which have recently been taking place at the Commonwealth Education Liaison Committee. We understand that the South African representative on that body has already been discussing the question of South Africa's resigning from the Committee.

A further pointer in this direction is a report in *The Times* of March 24 from its Pretoria correspondent to the effect that applications for Commonwealth bursaries under the Scholarship and Fellowship plan have been suspended while the Department of Education goes into the question in view of South Africa's ceasing to be a member of the Commonwealth.

We suggest, therefore, that a decision be taken to suspend any action on appointments here, leaving open the possibility of a bilateral arrangement which would depend on the views of both countries.

(ix) *Citizenship*

Section 23(1) of the Canadian Citizenship Act provides that every person who, under an enactment of a country listed in the First Schedule, is a citizen of that country, has in Canada the status of a British subject, and South Africa is included among the countries listed in the schedule. In addition, as a result of an interpretation of the law by the Citizenship Branch, it has been the practice to accord British subject status to persons who are regarded as British subjects by other Commonwealth countries and more especially by the United Kingdom. It would appear, therefore, that, until such time as South Africa were removed from the First

Schedule of our Act, South African citizens would continue to be British subjects under Canadian law and that, even if South Africa were to be removed from the schedule, South Africans would continue to be regarded in Canada as British subjects for citizenship purposes as long as they were accorded that status under British law. It is to be noted, however, that this derivative status depends for its validity upon interpretation and practice adopted by the Citizenship Branch and might therefore be subject to challenge in the courts; subject to this proviso, however, it would seem to follow that provided the United Kingdom enacted standstill legislation, now before Parliament, there would be no need for Canada to take any *immediate* action to remove South Africa from the First Schedule to the Citizenship Act, since in any case, South African citizens would continue to be regarded as British subjects in Canada until March 31, 1962. Amendment of the Citizenship Act might, therefore, reasonably be left until the next session of Parliament.

(x) *Immigration*

At present South Africans are included among the preferred classes of immigrants to Canada under Immigration Regulation 20(a), along with citizens of other old Commonwealth countries, France, Ireland and the United States. Hence, even though in fact very few South Africans have emigrated to Canada there exists the possibility that large numbers of black and coloured South Africans might seek to come to this country and would be free to do so on equal terms with citizens of the United Kingdom, for example. The withdrawal of South Africa from the Commonwealth would provide an opportunity of avoiding this liability, if it were desired to do so, without the necessity of amending any legislation since all that would be required would be a simple amendment of the relevant Immigration Regulations by Order-in-Council. The effect of such a change would be to place those South Africans who continued to enjoy British subject status in exactly the same category as British subjects from most other Commonwealth countries (e.g. Nigeria and Malaya) and for practical purposes (subject to minor exceptions) on the same footing as all British subjects (including West Indians, Indians and persons of United Kingdom, Australian or New Zealand extraction of the first generation to be born outside those countries) other than those born or naturalized in the United Kingdom, Australia or New Zealand. At the same time such a change would not interfere with the ready admission as immigrants of United Kingdom citizens in South Africa who might wish to emigrate to Canada provided they or their fathers had been born in the United Kingdom. While it may not be necessary to amend the Immigration Regulations immediately, in due course changes will be required and might be expected to take a form which would "normalize" the position of South Africans as citizens of a country not forming part of the Commonwealth and might also improve our position in relation to newer Commonwealth countries interested in promoting emigration to Canada. Such countries have been able to maintain that we have in our immigration policy discriminated against them as compared with South Africa which also has a preponderantly coloured population; to the extent that this would no longer be true it would become that much easier to explain or defend our selective immigration rules and procedures which traditionally and on the basis of general reciprocity have given preferred treatment to citizens of the United Kingdom, Australia and New Zealand as well as to citizens of countries of Western Europe and of the United States from which we have been long accustomed to draw the bulk of our immigrants.

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DEA/11827-40

*Le haut-commissaire en Afrique du Sud
au sous-secrétaire d'État aux Affaires extérieures*

*High Commissioner in South Africa
to Under-Secretary of State for External Affairs*

LETTER NO. 167

Cape Town, April 11, 1961

CONFIDENTIAL

EFFECTS OF SOUTH AFRICA'S WITHDRAWAL
FROM THE COMMONWEALTH

It is now in the cards that on 31 May 1961 the Union of South Africa will become a republic and will leave the Commonwealth. For the Nationalist Afrikaners the event will be one for jubilation but they will celebrate alone, shunned by their white political opponents for whom the day will be just another holiday, and ignored by the country's non-whites apart from those who will exult at having driven the Nationalists into isolation and may mark the days that follow by strikes and demonstrations. Yet all South Africans will share the consequences of Dr. Verwoerd's action in London in withdrawing his country's application for continued Commonwealth membership.

2. It is too early to assess with any certainty the long term effects of the withdrawal from the Commonwealth on the future of South Africa. Politically, withdrawal may appear to have advantages which in the short run only the Nationalists will see because they regard it as signifying the attainment of complete independence, while in the long run the opponents of the Nationalists may be looking back on departure from the Commonwealth as the beginning of the end of Nationalist rule. Economically, the first impact may not make much difference because before the Conference there was no immediate prospect of an end to the deceleration in the rate of economic growth in South Africa. But the longer range effects of increasing economic isolation in a more openly hostile world may slowly and remorselessly erode the prosperity of the country.

3. So many imponderables are involved that the future course of the republic of South Africa is extremely difficult to chart with certainty. The occasion demands, however, that we attempt to estimate the political and economic effects of the withdrawal from the Commonwealth.

Political Effects

4. The supporters of the inflexible Prime Minister Verwoerd – the extremist Afrikaners who dominate the Nationalist Government – have adopted the posture that the loss of Commonwealth membership will change nothing of value and that the whites of the country will rally behind them in the fight for self-preservation. It is true that the immediate effects of the withdrawal on the parliamentary political situation are almost certain to be negligible. The voting strength of the Nationalists has not been impaired and the unity of their party is such that, if a general election were held in 1961, they would probably increase their parliamentary majority rather than have it diminished. Before the Commonwealth Conference, Dr. Verwoerd had taken measures against dissident members of his party, such as those of the SABRA group at Stellenbosch University and in the Dutch Reformed Churches, and there were indications that he would reduce the influence of the moderate Cape Nationalists. It is expected that the purification of the Nationalist Party will continue, thus reducing the likelihood of an effective challenge to Dr. Verwoerd's leadership from within his own Party and therefore increasing his domination of the Party. For thinking Nationalists, the only hope is that even Dr. Verwoerd's

own supporters will eventually recognize his inflexibility as a form of political insanity and get rid of him.

5. While some of the white opponents of the Nationalists appear to share their belief that in the face of world hostility South Africa must withdraw into laager, dismay still predominates amongst thinking Afrikaner moderates and opposition supporters generally. But dismay has been accompanied by anger at the Government and by the growing realization that the policy of apartheid is universally condemned. The Leader of the United Party, Sir de Villiers Graaff, has come forward with proposals for the political advancement of the non-whites in the country which in his view would set the stage for the return of the country to membership in the Commonwealth. He has asked for the support of thinking Nationalists as well as opposition supporters to come together with him in order to form a common front against Dr. Verwoerd and his Government. Although there are signs that Party differences may be blurred in order that a common front may be achieved, it is too early to say whether the Graaff proposals will appeal to the majority of the white electorate. Indeed, judging from past experience, we would say that the majority of white South Africans have no appetite for policies which inevitably would reduce their domination of the non-white groups. But a more effective obstacle to the Graaff appeal for a common front is that the enthusiasm of most Afrikaners for the republic which has led to the withdrawal from the Commonwealth, has angered most English-speaking South Africans and the minority of Afrikaners who are in opposition, with the result that enmity between the Nationalists and other whites has been sharpened. One of the main obstacles to cooperation between the white racial groups in South Africa may have been removed by the achievement of the republican goal by the Nationalists, but the loss of Commonwealth membership has now divided the whites as much as any factor in South Africa's unhappy history. If it were not for the colour question – i.e. if South Africa were a “white” country – differences such as those which have been caused to secession from the Commonwealth would perhaps lead eventually to civil war. The common white fear of the non-white majority makes it unthinkable that a civil war amongst the whites will take place.

6. If it is correct to assume that secession from the Commonwealth has occurred at a time when Dr. Verwoerd's position within his own Party is stronger than ever before and also to assume that fear of the non-whites will not only militate against the success of the Graaff appeal as well as make extremely unlikely a civil war between the two white groups, it does not necessarily follow that South Africa's future will be peaceful. We would not want categorically to rule out the possibility that the concern of those whites who favour flexibility may in the long run be of more importance to the future of the country than the granite-like inflexibility of the Nationalist Government. It would be unsafe, however, to make these assumptions, and to attempt to answer the question as to whether or not the change will be peaceful in South Africa without taking into consideration the most important factor in contemporary South Africa – the attitude of the non-whites. Even allowing for the limited political consciousness of the non-whites as a whole, it may be said that there are as many Indians, Coloureds and Africans in the country who give thought to political matters as there are politically conscious whites. Most of the politically conscious non-whites in South Africa hoped that the Commonwealth would reject South Africa and they have given the South African United Front credit for what took place in London. The knowledge that they are not alone in their abhorrence of the Nationalist Government has enormously encouraged non-white political movements. Amongst whites as a whole it is expected that non-white political activity and demands will be stimulated and that the important factor in South Africa's future will become on the one hand the rigid determination of the Government and its supporters to maintain white supremacy, and on the other hand, the growing strength and effectiveness of non-white opposition to the Government's racial policies. The ban on the African National Congress and the Pan African Congress and the detention or exile under various laws of

leading African political leaders serves at the present time to make it difficult to estimate the present strength of the two African political movements. A new element, however, is the formation of the convention movement amongst the Cape Coloureds which has decided upon a militant anti-apartheid campaign beginning with strikes and has also determined to work with the African politicians. Even if demonstrations fail at the time of Republic Day, the continuation of the policy of apartheid will serve to maintain the conditions for non-white opposition to the Nationalist Government and will inevitably spark off violence between the Government and the non-whites. Without direct assistance from black African states or other states which are interested in promoting the fall of the Nationalists, non-whites in the Union would probably not be able to muster sufficient force to bring the Government to its knees. There is at the present time no common frontier between the Union and an independent African state and the possibilities for the supply of dissident forces within South Africa are extremely limited. The picture would change, however, if Angola or Mozambique ended their association with Portugal or if the Federation of Rhodesia and Nyasaland either dissolved or became a black-dominated entity.

7. In the international field the effect of South Africa's withdrawal from the Commonwealth, as seen from here, may be to hasten the determination of the Afrikaner Nationalists to withdraw from the world until it comes to its senses. Dr. Verwoerd's decision, it is believed by many of his opponents, may be the prelude to the Union's withdrawal or expulsion from the United Nations. Closer to home relations with neighbouring states in Africa will become more difficult. There will be less likelihood than ever that Southern Rhodesia will contemplate joining the Union in spite of Dr. Verwoerd's pretensions to be the leader of the white man in Africa. The drive for political advancement and ultimate independence in Basutoland, Bechuanaland and Swaziland will be greatly strengthened now that it has become virtually impossible for the United Kingdom to hand over the three High Commission territories to South Africa. The Union's grasp on South West Africa is regarded as having been shaken. It is believed further that the United States will no longer have to pursue an ambivalent policy in the continent and will prosecute a policy of friendship and massive assistance for the black African states to the eventual detriment of the Union Government.

Economic Effects

8. Members of the South African Government have suggested that, while the economy may suffer a little initial discomfort as a result of withdrawal from the Commonwealth, the longer view is quite reassuring and the departure from the Commonwealth need make little difference one way or the other. There are so many imponderables to consider in judging whether or not South Africa's economic prospects will have been harmed by the loss of Commonwealth membership itself, that the precise moment of doom cannot be predicted with any accuracy. However, while the rate of growth of the South African economy may or may not yet have been affected by secession from the Commonwealth, it appears to us fatuous to expect that this event will not ultimately have a harmful effect on the economy.

9. There has been little confidence in the South African economy since Mr. Macmillan's "Wind of Change" speech in Cape Town in January 1960 and the events which followed. Highly dependent on overseas investment, South Africa has seen a dramatic outflow of capital in the last year which has cut the pace of economic development considerably. For South Africa the benefits of Commonwealth membership were reflected mostly in the financial and trading relationship with the United Kingdom which supplied most of South Africa's capital funds, took one third of her exports and marketed most of her gold. Comfort is being found in statements by the Union Government that trading and financial arrangements with the United Kingdom will continue. There are doubts, however, that South Africa can expect to be given preference over Commonwealth borrowers by the Bank of England and that such agreements

as the Commonwealth Sugar Agreement will long continue to apply to the Union. It is also doubted whether preferential trade agreements with Commonwealth countries will in the long run be maintained. The significance of the loss of Commonwealth membership on the economy will undoubtedly be seen better in a year or two than can be seen today. The event itself will, however, not increase confidence in the Union amongst foreign investors and less money will now come in to South Africa for the development of new mines and industries.

Effects on Canadian-South African Relations

10. De. Verwoerd and Mr. Eric Louw have made it quite clear to South Africans that in their view the Prime Minister of Canada supplied the push which led to the South African withdrawal from the Commonwealth. In the minds of Afrikaner Nationalists and many other South Africans, Canada is now associated with the enmity of the African and Asian world towards this country. This circumstance may have a markedly adverse effect on our trade with South Africa in the near future (wheat, for example). It will have no effect, however, on our political standing with the South African Government because there was little evidence even before the Prime Ministers' Conference that we had any influence over South African external policies, except indirectly and on rather academic international questions.

11. As long as a government devoted to the principle of white supremacy is in charge in South Africa, we should not expect an improvement in relations between South Africa and Canada. Comfort may be derived, however, from the fact that the non-white political movement and those whites, mainly in the Liberal and Progressive Parties, who are opposed to apartheid, have applauded the attitude taken by Canada. If the eventual fall of the Nationalist Government can be assumed, Canada's influence on the external policy of this country should then be far greater than it has ever been in the past.

Conclusion

12. In this discussion of the effects of the withdrawal of South Africa from the Commonwealth, we have suggested that Dr. Verwoerd's action will contribute to the eventual collapse of his Government and the policy of white supremacy. We have attached less importance to the possibility of a change of heart amongst white South Africans than to the inevitability of a collision between the white supremacists fighting alone and the black nationalists encouraged and succoured from abroad. It may be that we have drawn the picture too starkly and that, despite Dr. Verwoerd's latest pronouncement, the lines should be softened. Time and the influence of the imponderables may work for a peaceful solution in South Africa but at this stage we are not optimistic that a dramatic change for the better will take place.

13. International pressure on South Africa has increased tremendously in the four weeks which have passed since the Prime Ministers' Conference and the events in London have merged with others in the pattern of international hostility towards the policy of apartheid and the Government which is so rigidly dedicated to its implementation. We believe, however, that the decision of Dr. Verwoerd to withdraw his country's application for continued membership will in time be regarded as a turning point in South African history at least as significant as Sharpeville.

JAMES J. HURLEY

559.

DEA/11827-40

*Le secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*Secretary of State for Commonwealth Relations of United Kingdom
to Secretary of State for External Affairs*

CONFIDENTIAL

London, May 9, 1961

My dear Green,

I should like to give you some account of our present thinking about our future relations with South Africa. Each member of the Commonwealth will of course be determining its own relations in the light of its own circumstances and interests. I feel nevertheless that each in determining its own policy would find it helpful to know the general principles on which others are proceeding.

2. I have stated in Parliament the broad considerations governing our own approach to our future relations with South Africa. As I said, on the one hand "we must be careful not to destroy the value of Commonwealth membership by giving to those who are not members all the privileges of those who are." On the other; "we have no desire to destroy needlessly links which are of mutual benefit to both our peoples." I said also that while some of the issues involved are reasonably straightforward, others present quite difficult human and political problems which will require a good deal of careful thought, and will involve discussion with the South African Government, and in some cases Colonial Governments.

3. Certain changes will of course take place as soon as South Africa becomes a Republic and leaves the Commonwealth on 31st May, 1961. With effect from that date:

(a) South Africa will presumably withdraw from all Commonwealth consultative and technical bodies and will no longer attend Commonwealth conferences and meetings (for instance, meetings of Commonwealth delegations in New York).

(b) We shall ourselves cease to extend to the South African Government the special processes for consultation and exchanges of view which apply to our relations with Commonwealth Governments.

(c) Our High Commissioner in South Africa will in his diplomatic capacity – he is also and will for the time being continue to be styled High Commissioner for Basutoland, Bechuanaland and Swaziland – be styled Ambassador.

4. Pending examination of the question, the Commonwealth Secretary will continue to be responsible for the conduct of relations between Britain and South Africa.

5. As regards matters requiring legislation, we have introduced a "holding" Bill – the South Africa (Temporary Provisions) Bill – to preserve for a maximum period of twelve months from 31st May such existing United Kingdom and Colonial laws as would otherwise cease to have effect in relation to South Africa after 31st May. These are laws worded in such a way that they apply only to countries which form part of Her Majesty's dominions or, in other cases, to members of the Commonwealth. Some of them (for example, the Merchant Shipping Act, under which South African ships are classed as British ships and South African certificates of competency issued to masters are recognised as valid) are of considerable intricacy and practical importance, and we could not simply let them lapse, leaving a vacuum.

6. There are besides certain United Kingdom laws which, because they refer to South Africa by name, and are not worded in the way referred to in the preceding paragraph, will not automatically lapse in respect of the Union at the end of May. These will be left unchanged while we complete our survey. The most important of these is the British Nationality Act,

1948. Thus, South African citizens will remain British subjects under our law for the time being. But, as I have said in Parliament, "it is not of course our intention to leave unaltered the rights in respect of British nationality now enjoyed by South African citizens. But this is a matter which required most careful thought."

7. It is our aim in due course to enact comprehensive permanent legislation to give effect to the eventual decisions in regard to the amendment of laws of the type referred to in the last two paragraphs, and to any other matter which may appear to require legal provision.

8. There are of course other very important non-legal matters on which we have to decide what our own policy should be. They are the subject of agreements and conventions which are not automatically affected by South Africa's withdrawal from the Commonwealth. These include our defence and trade agreements with South Africa, and the relationship between South Africa and the High Commission Territories. In regard to the latter, we have to be careful not to make any general decisions which might indirectly damage the interests of the peoples of those Territories. We are reviewing these matters so as to determine what would be the right course in the light of the general considerations to which I have referred in paragraph 2 above.

9. We have appointed a committee of officials which is preparing a report to Ministers, and we shall examine all the issues as quickly as we can. We do not, however, in general want to take decisions on particular questions falling within the categories mentioned in paragraphs 5, 6 and 8 above until we have been able to survey the whole field of our relations with South Africa. I shall be careful to consult you where it seems that your country is concerned, and to inform you of any decisions which we think may be of interest to you. I should of course be most interested to learn anything you can tell me about your thinking on your Government's future attitude on these matters.

With kind regards

Yours sincerely

DUNCAN SANDYS

560.

DEA/11827-40

*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*

RESTRICTED

[Ottawa], May 19, 1961

CITIZENSHIP AND IMMIGRATION QUESTIONS ARISING AS A RESULT
OF SOUTH AFRICAN WITHDRAWAL FROM THE COMMONWEALTH

Citizenship

As a result of South Africa's withdrawal from the Commonwealth it will be necessary in due course to amend the Canadian Citizenship Act, of which section 23 stipulates that "every person who under an enactment of a country listed in the First Schedule is a citizen of that country has in Canada the status of a British subject," and section 2 provides that "country of the British Commonwealth" means for the purpose of this Act a country listed in the First Schedule.' At an appropriate time action will accordingly need to be taken to delete South Africa from the list of countries enumerated in the First Schedule.

It is now learned that the standstill legislation introduced in the United Kingdom will not affect the United Kingdom nationality laws but that, as in Canada, South African citizens will continue to be British subjects as long as the United Kingdom statutes are not amended by removing South Africa from the list of enumerated countries. Until this is done South African citizens will remain British subjects under both Canadian and United Kingdom law and will continue to enjoy all privileges which this status confers; it is noteworthy, in this context, that if indeed Canada were to take action before the United Kingdom, South African citizens would continue to be accorded in Canada the status of British subjects by virtue of their being so regarded under the laws of the United Kingdom. There might therefore be advantage in exploring the possibility of arranging for relevant changes in Canadian and United Kingdom law to take effect on the same date.

Since there appears to be no immediate need to amend the Canadian Citizenship Act in this respect the Department of Citizenship and Immigration are understood to favour postponing whatever amendments may seem desirable until the next session of Parliament. This would afford opportunity to consider any problems which might arise in the interim but would of course continue South African citizens in the enjoyment of certain privileges under Canadian law which are not extended to aliens.

Immigration

At present citizens of South Africa are by regulation included in the preferred classes of immigrants to Canada comprising those who are either British subjects by birth or naturalization in old Commonwealth countries or citizens of Ireland, Metropolitan France and the United States. Unless therefore it were decided to leave South Africans in this preferred category even after they had ceased to be British subjects, the immigration regulations should be amended in due course. There would, however, be no necessity to undertake revision of the immigration regulations by May 31, especially as, for some period after that date, South African citizens as such will continue to have the status of British subjects in Canadian law by the operation of the Canadian Citizenship Act and the United Kingdom nationality laws. Immediate amendment would only be necessary if it were desired to ensure that as soon as South Africa left the Commonwealth South African citizens, even though they were still British subjects, should no longer enjoy the same privileges of admission to Canada as immigrants or non-immigrants as are enjoyed *inter alia* by citizens of other old Commonwealth countries. It is my understanding that with these considerations in mind the Department of Citizenship and Immigration have in contemplation a more general revision of the immigration regulations as a result of which an adjustment would be made later on without singling out South Africa as the object of the change.

It is possible that proceeding in this way might lead to some criticism from non-white Commonwealth countries that we were continuing to accord to South Africa as a foreign country a more favourable position in regard to immigrant entry to Canada than was accorded to them. Such criticism could, however, be countered by explaining that our immigration regulations would be reviewed and revised as soon as there had been adequate opportunity to consider all that would be involved in making such changes as might be required or desirable; if necessary, it could also be pointed out that the temporary continuance of the preference now granted to citizens of South Africa represented no more favourable treatment than was extended to citizens of Ireland, the United States and France, none of which are Commonwealth countries.

N.A. ROBERTSON

561.

DEA/11827-40

*Le secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni
au secrétaire d'État aux Affaires extérieures*

*Secretary of State for Commonwealth Relations of United Kingdom
to Secretary of State for External Affairs*

PERSONAL AND CONFIDENTIAL

London, September 11, 1961

Dear Howard [Green],

1. In my letter to you in May about our relations with South Africa I promised to inform you of any decisions which might be of interest to you.

2. Since then we have, in consultation with all the other Commonwealth Governments concerned, tackled such matters as South Africa's interim position under the Commonwealth Telecommunications Agreement, temporary arrangements for her continued participation in the Commonwealth Area Communications Scheme for Merchant and Naval Shipping and her continuance as a member of the Commonwealth War Graves Commission.

3. We have since decided, and have so informed the South African Government, that South Africa cannot, as a foreign country, continue to participate in the Commonwealth Sugar Agreement after the end of 1961. You will, no doubt, also have heard that, as I forecast in my previous letter, the South African Government have withdrawn from all the Commonwealth organisations of which they were a member. In addition, we have for our part ceased to include them in the processes of consultation and exchange of information which we follow with fellow members of the Commonwealth. Similarly, South Africa no longer attends meetings of Commonwealth Delegations at the United Nations.

4. Thus you will see that we have already moved some way in applying the general principles which I described in my previous letter, i.e., neither to destroy the value of Commonwealth membership nor needlessly to rupture mutually beneficial links.

5. There are, however, many aspects of our relationship – some of great importance to us – which have still to be settled. On all of them we expect to hold discussions with the South Africans in the next few months – although the intervention of the South African election on 18th October will be a complicating factor. Our aim will be to reach agreement with them on all matters in which it is necessary in time to enable us to pass the requisite legislation by 31st May, 1962.

6. Meanwhile we have made good progress in identifying the problems which we must resolve. They are many, and complex – as is inevitable in view of the intricate pattern of relationship which has been woven over the years between South Africa and this country.

7. Probably some personal interests will suffer as a result of South Africa's withdrawal and I fear that we may meet with some protests and cases of hardship, which we shall have to deal with as best we can. But there are some arrangements which in our own national interest we cannot afford to abandon entirely.

8. For example, if the merchant shipping lifeline across the Commonwealth is to be protected in time of war, we must preserve co-operation between South Africa and this country in the defence of the sea routes round the Cape. The visit of the South African Minister of Defence in July afforded an opportunity to go over this ground with him. We reached the conclusion that it will be possible to make adequate arrangements for meeting our mutual defence requirements in the new constitutional circumstances. We shall not, of course, be committed in the future, any more than we are at present, to giving military support to the South African Government's domestic policies.

9. We also want to preserve our export trade to South Africa, both visible and invisible, in the interest not only of the United Kingdom but also of the Sterling Area. Because of this, and because the Trade Agreement is not conditional upon Commonwealth membership, we do not propose to ask for the Trade Agreement to be cancelled or amended as a result of the change in our constitutional relationship, although some modifications may in due course become necessary if we join the Common Market.

10. Nationality has difficult implications for individuals and the adjustments to be made in this matter have given us much anxious thought. Our High Commissioner will have told you about our proposals in this matter and we shall be considering any comments from your Government.

11. An important matter for us is the long standing relationship between the High Commission Territories and South Africa, which in all personal and economic affairs is extremely close. We do not think that the constitutional change need make any difference to this relationship, and we hope that the arrangements that we make about our relations with South Africa generally will protect the position of the Territories and access to them which is unavoidably dependent on South Africa.

12. On the legislative side we shall, in the interests of the welfare of individuals here and in South Africa, hope to arrange, subject to reciprocity, to retain the Colonial Probates Act, which provides for the reciprocal recognition of probates, and the Maintenance Orders (Facilities for Enforcement) Act, under which orders made in this country can be enforced in South Africa and *vice versa*. We shall also seek to retain the sections of the Companies Act, which deal with the maintenance of company branch registers in Britain and South Africa.

13. Except for the Acts to which I have referred in the preceding paragraph, we shall probably allow legislation which has applied between South Africa and this country by virtue of South African membership of the Commonwealth to lapse, though Acts which refer to South Africa by name (there are not many of these) will continue to be valid, unless repealed or amended.

14. One consequence of the new relationship is that we shall be proposing to the South African Government the negotiation of an Extradition Treaty to replace the Fugitive Offenders Act, 1881. In this matter we may need to make some special arrangements as between South Africa and the High Commission Territories.

15. Some of our postal and telegraph rates to South Africa will have to be revised, since the Commonwealth rate will no longer be appropriate, but we are still considering what new rates to fix. We shall, of course, inform the Commonwealth Telecommunications Board of our proposals in respect of telegraph rates once we have reached a conclusion.

16. You will appreciate that, if we are to achieve the right balance in our future relations with South Africa, we shall need to proceed most carefully in our discussions with them. I am sure that I can rely on you to treat all the above information with particular confidence.⁵⁴

With best wishes,

Yours sincerely

DUNCAN [SANDYS]

⁵⁴ Note marginale :/Marginal note:

Copy passed to H.B. R[obinson] for PM 23/9. [Ross Campbell]

562.

DEA/11827-40

*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 16, 1962

WITHDRAWAL OF SOUTH AFRICA
FROM THE COMMONWEALTH

Some months ago the Right Honourable Duncan Sandys wrote a personal and confidential letter to me describing in general terms the steps which the British government contemplated taking in order to change the basis of Britain's relations with South Africa before May 31, 1962 – the date of expiry of the “standstill” legislation which was enacted by the British Parliament a little less than a year ago. A copy of Mr. Sandys' letter is attached.

In my reply of October 8, 1961, to Mr. Sandys† I undertook to send him a review of the steps which we have taken to meet the problems created for Canada by the withdrawal of South Africa from the Commonwealth. Such a review has now been prepared for my signature but because of your earlier interest in this matter and because the letter incorporates the views of several government departments, I thought you would wish to see it before it is sent.⁵⁵

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures
au secrétaire d'État des Relations avec le Commonwealth du Royaume-Uni
Secretary of State for External Affairs
to Secretary of State for Commonwealth Relations of United Kingdom*

PERSONAL AND CONFIDENTIAL.

Ottawa, February 14, 1962

You were good enough in September last to review for me the steps which were being taken to resolve problems created for Britain by the withdrawal of South Africa from the Commonwealth. Since that time I understand a British team has held conversations with the South Africans on a number of the outstanding points mentioned in your letter. I know, of course, that you are working to a deadline of May 31, 1962, when your “standstill” period will expire. We, as you know, have been dealing on an *ad hoc* basis with the specific problems which have arisen for us. Perhaps it would be useful at this time for me to summarize for you our views and the actions we have taken vis-à-vis South Africa.

Shortly after the last Commonwealth Prime Ministers' meeting we began to consider the practical problems which would be created for Canada as a result of South Africa's then impending withdrawal from Commonwealth membership. We decided that as far as possible the privileges of Commonwealth association should be eliminated from Canada's relations with the Republic but that in carrying out such a change in relationship Canadian actions

⁵⁵ Notes marginales :/Marginal notes:

I. PM agrees. H.B. R[obinson] Feb. 22

II. Letter signed by SSEA 24/2. R. C[ampbell]

should be in no way vindictive. In the months since South Africa's withdrawal we have sought to apply this formula to the specific problems that have faced us.

As you are no doubt aware, Canada enjoys a favourable trade balance with South Africa which we do not wish to upset in the prevailing unsettled circumstances of world trade. A good part of our trade with the Republic is governed by a bilateral trading agreement and we have indicated to the South African Government that it is not our present intention to make any change in the tariff treatment accorded to South African goods. We have continued to grant a preferential tariff to South African goods imported into Canada. South Africa in turn continues to grant Canada bound margins of preference on some fifteen items, some of which are of considerable importance to Canada.

While the flow of immigrants from South Africa has not been great, there are in Canada a number of South African citizens who have declared their intention to apply for Canadian citizenship when they become eligible to do so (i.e., five years after their entry to Canada for permanent residence). Under the terms of the Citizenship Act the privileged British subject status of such South African nationals is recognized. In order not to inconvenience this group either before the laws of Canada or in their dealings with their own government by changing their status in Canada, we propose that when next our Citizenship Act is to be amended we will eliminate specific reference to South Africa as a Commonwealth country. At the same time a provision will be introduced into the Act under which the status of nationals of countries which leave the Commonwealth, who are resident in Canada, shall be deemed to be that of British subjects. As yet this amendment has not come before the House. We shall, of course, continue to recognize as British subjects all South Africans who retain that status under the laws of a Commonwealth country as well as nationality acquired by South Africans under the legislation of another Commonwealth country.

Very recently considerable changes in the Canadian Immigration regulations were announced. Under these revised regulations, South Africans will be treated as foreign nationals and will be required to obtain immigrant visas for permanent entry to Canada. South Africans will not be required to obtain visas for non-immigrant entry.

At the time of the Republic's withdrawal a number of South African students were enrolled at Canadian universities on two-year scholarships granted under the Commonwealth Scholarship and Fellowship Plan. A further number of South African candidates had just been selected for the academic year 1961-62. We decided that the Plan insofar as it applied to South Africans would be allowed to continue until the end of the 1962-63 academic year. This has meant that the South African students studying in Canada when their country withdrew from the Commonwealth and those who had been selected for scholarships just prior to their country's withdrawal would be offered the opportunity of completing their academic courses in Canada but that no further applications would be invited from South Africa under the Plan. The South African Government expressed its appreciation for this arrangement and offered reciprocal facilities. At present there are ten South African students at Canadian universities but no Canadian students hold scholarships in South Africa.

South Africa's withdrawal from the Commonwealth has not had a direct bearing on our policy with regard to the export of military equipment to the Republic. Export permit applications covering military equipment to South Africa have been reviewed individually by the Canadian Government for some years, as have applications from all but a very few countries. I think that the criteria we use in judging applications originating with the South African Government are very like your own. We have refused and shall continue to refuse, applications for the export of any arms which could be used for civic control or to enforce the policy of *apartheid*.

We were interested to learn that British postal rates to South and South West Africa are to be increased to foreign rates as from April 1, 1962. We agree with the view of your postal authorities that a pragmatic approach must be taken in this matter in relation to South West Africa but for the present the Canadian Post Office has decided not to make any changes in the postal rates from Canada to South Africa.

The South African Government's decision to withdraw from Commonwealth consultative and semi-technical bodies was timely. I am glad, however, that arrangements have been made for continuing South African participation in the Commonwealth War Graves Commission, the Commonwealth Telecommunications Wayleave Scheme (until the end of the current fiscal year) and the Area Communications Scheme for Merchant and Naval Shipping. In connection with the last named, I understand that you have undertaken to explore in the next three years the question of replacement of the Cape Communications complex. We shall be interested to learn how your study of possible alternatives progresses. I am sorry that the South Africans have been less forthcoming in working out arrangements whereby they could continue to participate in the very useful work of the Commonwealth Agricultural Bureaux.

As you know, Canada has two Trade Commissioner's Offices in South Africa in addition to the Embassy. They are located at Johannesburg and Cape Town. We have been giving consideration to changing the status of these offices to that of Consulates but as yet arrangements to this end have not been completed.

During the past few months the Department of Justice has been reviewing Canadian Statutes for specific references to South Africa. Although this study is not yet at an end, it appears that the Acts which will require amendment in due course are:

The Canadian Citizenship Act

The Customs Tariff Act

The Diplomatic Immunities (Commonwealth Countries) Act; and

The Visiting Forces (British Commonwealth) Act.

I have referred in preceding paragraphs to trade and citizenship matters. I expect that legislation will be brought forward in the near future by the departments of Government concerned for the amendment of the last two of the Acts mentioned. In practice we make no difference between Commonwealth and foreign countries in extending diplomatic privileges. Visits to Canada of South African Forces are so infrequent as to remove all urgency from the task of amending the Visiting Forces (British Commonwealth) Act.

South Africa is not specifically mentioned in our Fugitive Offenders Act which provides for the extradition of a person "... accused of having committed an offence to which this Act applies in any part of Her Majesty's Dominions ...". As this legislation has ceased to apply to South Africa, the Minister of Justice is considering whether to negotiate a bilateral extradition treaty with South Africa or to adopt an easier and equally satisfactory solution through proclamation of the Extradition Act in respect of South Africa. The Canadian Extradition Act, Part II, permits the Governor-in-Council to proclaim the Act in force with respect to any country with which Canada has no Treaty respecting extradition.

I am indeed grateful for the trouble you have taken to keep me informed directly and indirectly of the progress you are making in this complicated matter, and I hope that this letter may be of use to you.

[HOWARD C. GREEN]

SECTION C

INDE

INDIA

SUBDIVISION I/SUB-SECTION I

POLITIQUE SUR L' AIDE À L' INDE

POLICY ON AID TO INDIA

563.

DEA/12881-J-2-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

LETTER NO. 221

New Delhi, March 15, 1961

CONFIDENTIAL

CANADIAN CAPITAL ASSISTANCE TO INDIA

Throughout my term as Head of this Mission and, indeed, long before, I have been concerned that the efforts of the Indian Government to develop its economy in a democratic context to meet the expectations of its people should succeed. The far-reaching political significance of either the success or failure of India needs no underlining, and has, I believe, been accepted as axiomatic by all Western governments. From the Canadian point of view the question is whether without undue strain on our resources we can take additional steps which would tend to increase the probability of conspicuous Indian success.

2. First of all I should say that, as seen from this Mission, Canadian capital assistance has made a very effective contribution to the Indian economy, having regard to the scale of our effort and the requirements of India. To take only two instances, our hydro-electric projects have enabled a substantial measure of industrial expansion in Assam and Madras and our locomotives and other railway equipment have assisted materially in the post-war rehabilitation of India's transportation system. Moreover, the policy of contributing aid in the form of grants rather than loans or credits has made that aid especially effective since it has not involved a future charge on the Indian economy. Canadians can draw satisfaction from the knowledge that their aid to India has been true aid and that the bulk of grants received by India from sources other than the United States has been provided by Canada.

3. Since the inception of the Five Year Plans in 1951, and up to December, 1960, Canada's authorized grants in aid totalling \$181,140,000 accounted for 69.3 percent of the total grants from all countries other than the United States, whose massive assistance under T.C.A. programmes and P.L. 480 amounting to \$1,015,360,000 contributed the major share of the total from all sources amounting to \$1,272,420,000. The United Kingdom has not provided any significant assistance in the form of grants under the Colombo Plan; nor have Germany or the Soviet Union provided substantial aid in the form of grants.

4. It seems to me to be most desirable to maintain the level of Canadian grants to India under the Colombo Plan at not less than the present level for at least the duration of the Third Five Year Plan. I consider that any increase would be valuable, having regard to the large foreign exchange requirements foreseen by India's planners in the period 1961-1966.

5. If the prospect of enlarged aid in the form of grants is slight and, indeed, even if some increase in grants may be contemplated, I should like to propose that reconsideration be given to the policy of refraining from offering loans to India either under the Colombo Plan or as a contribution through the "Aid to India Club." In particular I have in mind that loans would be appropriate for revenue-producing projects, especially those which directly or indirectly generate savings in Indian foreign exchange expenditures.

6. Hitherto, Canada's loans in aid amounting to \$31,420,000 have accounted for only 1.4 percent of the loans from countries other than the United States, including the United Kingdom \$325,320,000; Soviet Union \$766,820,000; West Germany \$301,160,000; and Japan \$55,220,000. In loans the United States topped all other countries with loans to the value of \$1,949,280,000 for a total from all sources of \$4,003,140,000. All countries other than Canada have considered it desirable to channel their aid to India in the form of loans rather than straight grants.

7. The measure of aid used by the Indian Government and public is volume. Loans are accepted as gratefully as grants and are counted as aid in all tabulations. A \$50 million loan receives twice as much credit as a \$25 million grant. There are a number of reasons for this attitude which, though perhaps obvious, deserve stating. First and foremost, the drive for rapid economic development is genuine and intense. The needs of the moment are vast and a large loan makes a greater impact in the short run than a small grant. Second, the Government is convinced that the economy will expand sufficiently as a result of loans to produce the surplus resources necessary to repay them when due. Third, there is a feeling in some quarters, based on pride and a dislike of being marked as a receiver of charity, that loans are actually preferable to grants on a dollar-for-dollar basis. The Soviet Bloc, especially, have exploited this attitude in their aid programmes. (Naturally, this attitude is not shared by Finance Minister Desai who well recognizes the advantages which grants have over loans).

8. I am raising the question of loans at this stage because I hope it may be given consideration when the Canadian position with respect to the April meeting in Washington of the Aid to India Club is being decided. I should like also to draw a distinction between loans for projects in the public sector and arrangements which might be made to facilitate expansion in the private sector. The latter is of great importance and is rapidly becoming more important, but in my view the essential core of economic development in this country is being and will continue, at least for the five-year period under consideration, to be achieved mainly by efforts in the public sector.

9. The pattern of the loans has varied from country to country, but they have usually involved an initial repayment deferred up to five years; a part repayment in semi-annual amounts up to five years, and the balance repaid in annual or semi-annual amounts up to 15 years. Interest rates have varied from 4½% to 6% per annum. (An excellent review is contained in "External Assistance 1960" published by the Economic Department of the Ministry of Finance, copies of which we have forwarded.)

10. The needs of the moment are so great that donor countries have considerable latitude in selecting the form their aid is to take. It is entirely possible for donor countries to exercise self-interest and yet make as effective a contribution to Indian development as if they were motivated solely by pure idealism. I have little doubt that many countries will choose very carefully from the "shopping list" which will be before the Washington meeting.

11. Many countries, notably the United States, the United Kingdom, West Germany, Japan, and the Soviet Bloc, apply much of their aid in ways which perhaps through accident but much more probably by design result in their nationals obtaining a permanent interest in important sectors of the Indian economy. For example, Export-Import Bank loans and funds generated by the operations of Public Law 480 are now financing equity participation by United States firms

in aluminum, synthetic rubber, fertilizers, tires and other industries. Japan is financing the development of iron ore deposits in return for a claim on a portion of the eventual output of iron ore. The Soviet Bloc are acquiring a significant degree of influence in several fields, notably steel, oil, heavy industrial equipment and machine tools and are seeking to alter permanently India's traditional patterns of foreign trade. Indeed, the Soviet Union has been sufficiently ingenious as to obtain goods from India (which they would probably have had to purchase in any event) and to arrange for payment in such a way that it counts as aid.

12. So far as the Western countries are concerned, government policies appear to encourage investment in India by private firms. This investment, while making an immediate and effective contribution to India's economic development, promotes trade and other commercial relations with the donor country and eventually through remission of dividends, interest, royalties, etc. and/or repatriation of principal generates new income in the donor country.

13. That portion of Canadian aid (grants under the Colombo Plan) which has been devoted to the purchase of nonferrous metals has, however, to some extent provided materials necessary for the maintenance of plants erected through loans from other countries.

14. It seems to me that Canada's policy for aid to India should be reviewed in light of recent changes, and that it should now be made more flexible in order that, first we may open up another means of strengthening the development of the public sector and, second, Canada and Canadian firms may participate more effectively in this new era of industrialization in a form which is midway between aid and trade.

15. Unofficial conversations with senior officers in the Indian Government reveal an increasing interest on the part of the Indian Government in the possibility of Canada continuing its aid to India in the form of both grants and loans. Mr. Herbert Moran can confirm that during his recent visit to India, this question was raised with him on a number of occasions.

16. The general thought appeared to be that Colombo Plan aid might be continued in support of purchases of essential industrial materials whose need is becoming urgent with the expansion of plants – and it is to be noted that India has been discussing the possible supplies of such materials under loans – and that some metals are likely to be supplied by the United States under the Development Loan Fund.

17. As I have mentioned above, however, I hope that at least in respect to industrial projects which in a sense are revenue producers, Canada might consider extending additional aid in the form of loans, presumably along much the same lines as those now employed by other countries.

18. Should a policy of aid in the form of loans in addition to the existing level of grants commend itself to the Canadian Government, I consider that the methods followed for support of the public and the private sectors should be distinct. For the public sector, long term loans (a minimum of 15 years) appear to be indicated. For the private sector an eminently suitable arrangement would be a Revolving Loan Fund to support the participation of Canadian firms in projects and joint company ventures where at present Canada is represented by only two Canadian firms, Aluminum Limited in the Indian Aluminum Company, and the Massey Ferguson Company in a new tractor venture. This is in contrast to very active interest being manifested by firms in the United Kingdom, the United States, Germany and Japan. Full details on this proposal for a Revolving Loan Fund, and the names of a number of Canadian firms who have applied to the Government for loans to assist in Indian projects or joint company ventures are available from the Deputy Minister of the Department of Trade and Commerce as the result of considerable correspondence between the Commercial Counsellor in New Delhi and the Deputy Minister.

19. I wish to commend these proposals which would put Canada in a position to participate actively in a new area of development in India in a manner that offers some prospect for continuing trade and industrial relations with Canadian business men. It would have the attraction of providing the prospect of an increase in employment in Canada in engineering industries and other sections where employment is much needed. Moreover it offers the prospect that such loans will be self liquidating over the years, and that there would be a gradual build up of revolving aid funds to India with decreasing demands on the Canadian taxpayer.

20. Should this scheme, or something like it, be adopted there would appear to be arguments in favour of relating projects for aid funds to existing applications for assistance from Canadian firms. Indeed in any case there is much to be said – since there is a wide choice in the large development plans – for directing Canadian efforts along those channels where there is a prospect of continuing commercial relations when aid may no longer be necessary to sustain India's development.

21. To sum up, I hope that our approach to the Aid to India Club in Washington will have a three-fold nature. First, I believe that we should maintain our grants at at least their present level. Second, I trust that a suitable basis for loans for projects in the public sector can be evolved. Third, I commend the scheme for enabling private sources in Canada to join with industrial interests in India in developments in the private sector.

C.A. RONNING

SUBDIVISION II/SUB-SECTION II

QUESTIONS NUCLÉAIRES
NUCLEAR ISSUES

564.

DEA/14003-J-2-3-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Japon
Secretary of State for External Affairs
to Ambassador in Japan*

TELEGRAM ET-28

Ottawa, January 9, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel ET-27 Jan 9.†

Repeat for Information: Delhi (OpImmediate), Washington, London, Geneva, Paris (Routine).

By Bag Vienna.

URANIUM CONCENTRATE FOR C.I.R.

Following for J.L. Gray.

Bhabha's telegram of December 22⁵⁶ which you saw before leaving offered to guarantee that uranium concentrate sold by Canada to India would be used only for making fuel elements for C.I.R. Officials who have now reviewed the situation are agreed that this latest offer does

⁵⁶ Voir/See Volume 27, document 426.

not repeat not alter the position and that Canada should sell uranium concentrate to India only on the basis of our standard safeguards requirements.

565.

DEA/14003-J-2-3-40

*Le haut-commissaire en Inde
au Bureau de l'aide extérieure
High Commissioner in India
to External Aid Office*

TELEGRAM 65

New Delhi, January 27, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tel XAO-70 Jan 24.†

Repeat for Information: External, Finance.

CIR FUEL RODS

Lorne Gray and Dr. Bhabha called on me yesterday to discuss the urgent necessity of using the second lot of 100 fuel rods for CIR. Gray says it is important that these rods be made available for immediate use. Dr. Bhabha has agreed that, if the Indian request (which has now been formally approved) to include the purchase of these rods under Colombo Plan allocations is not repeat not accepted by Canada, India will purchase second lot commercially as in the case of the first lot. May the second lot of rods be released to the Indians on this understanding. If you accept proposal to finance this purchase under Colombo Plan I agree it should be included in next year's programme.

2. Gray reports that progress at CIR is very satisfactory and that all Canadians will have departed Trombay in a few weeks. Gray and Bhabha agree that the difficulties encountered in the fuel rod fittings are being overcome. Such experience is not repeat not unusual and CIR has only experienced troubles common to similar establishments elsewhere says Gray.

[C.A.] RONNING

566.

DEA/14003-J-2-3-40

*Le haut-commissaire en Inde
au Bureau de l'aide extérieure
High Commissioner in India
to External Aid Office*

LETTER NO. XAO-27

New Delhi, February 1, 1961

CONFIDENTIAL

Reference: Our telegram 793 December 28, 1960⁵⁷

CANADA POWER REACTOR FOR INDIA

Mr. Lorne Gray, Dr. Honi Bhabha and Mr. P.N. Thapar, Member for Finance and Administration, Atomic Energy Commission, called to keep me informed about conversations which Gray and Bhabha have had regarding the possibility of Canadian-Indian cooperation in the development of a Candu atomic power reactor in India, probably in the Delhi area. Both

⁵⁷ Voir/See Volume 27, document 428.

Gray and Bhabha are interested in the possibility and Gray may request authorization to spend approximately \$50,000 for an investigation to be made by Canadian engineers. The purpose of the investigation would be to determine more specifically the total costs involved so that the feasibility of the proposal may be considered by Canadian authorities.

2. I understand that Canadian and Indian engineers would work out the specifications for the power plant in India, using the plans of the Canadian project, modified, if necessary, for a Canada type power reactor in India. The idea is that all of the equipment which is produced in Canada would be obtained from Canada. The Indians would purchase whatever equipment is required from sources outside of Canada, such as turbines which are not produced in Canada, and would be responsible for the cost of all construction. Canadian engineers would co-operate with Indian engineers in supervision. At present it is very roughly estimated that the Canadian portion would amount to \$25 million. A more exact figure will be determined by the investigation proposed by Gray.

3. Canadian participation in this project being financed by the Colombo Plan was suggested as a possibility. The preference, however, seemed to be that it would be possible to obtain a long-term loan from Canada for financing Canadian participation and equipment. I said that this would be a matter to be considered by Canadian authorities. Mr. Thapar said that he would take the matter up again with the Indian authorities, whom he has already sounded out. The Economic Department of the Ministry of Finance apparently would prefer a loan rather than the allocation of any further Colombo Plan funds from Canada to India for an atomic project in addition to the hydro-electric projects which have already been undertaken.

4. Mr. Gray said that before any serious consideration could be given to the project it would be absolutely essential for Canadian and Indian engineers to make a preliminary survey to determine more accurately specifications and costs involved. Mr. Gray was hopeful that such an undertaking might be made in the near future.

5. I suggested to Dr. Bhabha that, before Canadian authorities could give consideration to this project, it would be necessary for the Indians to submit their proposals in writing. I understand this is to be done fairly soon.

6. Mr. Gray asked Dr. Bhabha if the Indians were prepared to undertake an obligation to purchase only Canadian fuel in addition to the fuel which the Indians could make available from their own sources. Dr. Bhabha and Mr. Thapar both agreed that this was a fair proposition and said that the Indian authorities would be glad to give a guarantee not to purchase fuel for a Candu reactor from any other foreign source than Canada.

7. I shall communicate with you immediately upon receipt of a specific proposition from the Indians.

C.A. RONNING

567.

DEA/14003-J-2-3-40

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

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 77

New Delhi, February 2, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: External, Aid Office.

URANIUM CONCENTRATE FOR CIR

I have received from Dr. Bhabha the following letter, Begins:

“I am writing this in continuation of the conversations we had in the presence of Mr. J.L. Gray, President of AECL in Delhi recently.

The Government of India in the Department of Atomic Energy would be glad to purchase 25 tons of uranium concentrate (U_3O_8) from Canada. This will be converted into uranium metal and then fuel elements for Canada-India reactor in our plants at Trombay. We are prepared to pay for this U_3O_8 a price competitive with the lowest price offered to us at present (this is in the neighbourhood of \$5 per lb. and the exact price can be communicated to you, if required, from Bombay). We are also prepared to give an undertaking that this U_3O_8 or an equivalent quality of uranium from stocks with us at present will be used solely for making fuel elements for the Canada-India reactor. In short, we are prepared to accept this uranium, *mutatis mutandis*, under the existing agreement with Canada for the supply of fuel rods for CIR.

As more rods are likely to be required by the middle of March, the matter is extremely urgent, and I shall be very grateful if you would send me an early reply.”

Please advise.

[C.A.] RONNING

568.

DEA/14003-J-2-3-40

*Note du chef de la 1^{ère} Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic (1) Division,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], February 7, 1961

FUEL RODS AND URANIUM CONCENTRATE
FOR INDIA: SAFEGUARDS POLICY

We now have two requests from India for additional fuel for the CIR. A formal application has been made by the Indian financial authorities to have the second batch of one hundred fuel rods (which is already in India) transferred under the Colombo Plan on the “same confidential terms” as the first. Certain fuelling difficulties are being encountered in the CIR and Dr. Bhabha considers provision of the second batch of fuel rods so urgent that he has offered to take them on a commercial basis if necessary. Mr. J.L. Gray, when he was in India recently, agreed that the matter was urgent. In addition to the request for fabricated fuel rods, Dr. Bhabha has now confirmed in writing to Mr. Ronning that he wishes to buy 35 tons of uranium concentrate. India would guarantee that this would be used solely to fabricate fuel rods for the CIR and would be subject to the same conditions as were accepted by India for the first batch of rods.

2. It seems that Canada has an interest in assuring adequate supplies of high standard fuel for the CIR, since a technical failure in the reactor would be unfortunate. Moreover, we certainly wish to expand our Indian market for uranium and other nuclear supplies provided we can do so without prejudice to our principles.

3. On the other hand, we must expect that it will become increasingly difficult to keep our arrangement with the Indians confidential. The other day, for example, the Japanese Embassy had been instructed to ask about the safeguards provisions for the CIR. (Needless to say, we told them nothing about the fuel rod agreement.) Furthermore, at this time, when the IAEA

safeguards have just been approved by the Board of Governors we should take particular care not to become involved in what could be represented as a secret transaction contrary to our openly professed principles.

4. The terms of our agreement with India do, at any rate as applied to this particular reactor, offer reasonable guarantees against diversion; their being made known would thus help to prevent the kind of rumour and insinuation about the CIR that has been circulated since the Israeli reactor has been in the news.

5. All of the above considerations suggest that we should now try to reach a new basis of understanding with the Indians – at any rate to the extent of refusing to keep our future agreements confidential. On the Indian side Dr. Bhabha's repeated attempts to buy more fuel for the CIR from Canada could mean that he has encountered difficulties in securing it elsewhere and that he could consequently be persuaded to move nearer our point of view.

6. I understand that Mr. J.L. Gray is due back in Ottawa toward the end of this week, and you will undoubtedly wish to discuss with him in the light of his recent visit to India, his views on the feasibility of making a fresh approach to the Indians.

O.G. STONER

569.

DEA/14003-J-2-3-40

*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, March 1, 1961

FURTHER ATOMIC ENERGY COOPERATION WITH INDIA

Three suggestions have recently been made for enlarging our cooperation with India in the nuclear field. The first two concern additional fuel for the Canada India reactor; the third relates to the possibility of Canadian Indian cooperation in the construction of a CANDU type power reactor in India.

2. A formal proposal regarding the third project has not yet been received from the Indian authorities, but several preliminary discussions with Dr. Bhabha and among senior officials here in Canada have suggested that we should follow up the proposal when it is received and should explore the relative advantages of financing under the Colombo Plan or by means of a long term export credit under Section 21A of the Export Credits Insurance Act. Whether or not the project is found to be feasible would depend upon the outcome of a preliminary survey which Atomic Energy of Canada Limited would propose to carry out in cooperation with India and with the assistance of staff seconded to them by Montreal Engineering, which is the kind of arrangement used to establish AECL's Nuclear Power Plant Division, which is now designing the Douglas Point Power Station (CANDU). The survey would last 3-6 months and the Canadian costs of it might amount to about \$50,000. which AECL would be prepared to pay if the Canadian Government would be willing to have the project explored. When the Indian request has been received, it will be possible to consult Ministers about a submission to Cabinet. In the meantime, however, as there is some urgency about dealing with the two requests for fuel for the CIR, I should like to devote the remainder of the present memorandum to this subject.

(a) *Second 100 Rods.* Some fuelling difficulties have been encountered in the reactor which have led to an urgent need for additional fuel elements and the Indian authorities have formally requested that a second 100 rods be made available under the Colombo Plan. You have already indicated in response to a memorandum from the External Aid Office recommending that this request be favourably considered that you wish it to go to Cabinet.

(b) *Request for 25 Tons of Uranium Concentrate.* In view of the immediate need for more fuel in the CIR, Dr. Bhabha has indicated in writing that he would be prepared to buy 25 tons of uranium concentrate in Canada provided it can be offered on competitive terms. He states he would undertake to use the Canadian uranium only in the CIR and on the same safeguards conditions as applied to the rods. Canada is interested in assuring adequate supplies of high quality fuel for the CIR since a technical failure in the reactor would damage our reputation as a leader in nuclear technology. Moreover, we certainly wish to expand our Indian market for uranium and other nuclear supplies provided we can do so in a manner consistent with our policy on safeguards. It is, however, a new departure to supply uranium rather than fabricated fuel rods for use in the CIR. You may therefore wish to consider whether the Indian request should be put to Cabinet or whether it would be sufficient to seek the views of the Ministers most concerned.⁵⁸

Dr. Bhabha has indicated with reference to safeguards that he would be prepared to accept the "same confidential terms" for both the uranium concentrate and the second batch of fuel rods as applied to the first batch. Rumours as to the details of the confidential arrangement have always been current and have tended to suggest that the arrangement may be more lax than it really is. It would prevent these rumours and would make our position more easily defensible vis-à-vis other Western suppliers if we were free to acknowledge the terms on which we have cooperated with the Indians. I would recommend therefore that, if it is decided to offer India the fuel rods under the Colombo Plan and to authorize the sale of the 25 tons of uranium concentrate for use in the CIR, we should try to get Dr. Bhabha to agree that the terms of our arrangement with India need no longer be kept confidential.⁵⁹

N.A. R[OBERTSON]

⁵⁸ Note marginale :/Marginal note:

To cabinet please. H.C. G[reen] 4/3

⁵⁹ Notes marginales :/Marginal notes:

I. Please note :

1. That proposal to supply uranium should go to Cabinet.

2. The SSEA agrees that Indians should be asked to make arrangement public. R. C[ampbell] 4/3

II. To be placed on Cabinet agenda Tues. 7/3. R. C[ampbell]

Le 7 mars 1961, le Cabinet accepte la vente de concentré d'uranium, à condition qu'il ne serve qu'à alimenter le réacteur Canada-Inde et que les Indiens observent les mêmes garanties que celles qui ont été appliquées d'un commun accord à la vente de barres de combustible en 1960. Le 10 mars 1961, le Cabinet convient de financer le deuxième lot de barres de combustible avec le fonds attribué à l'Inde sous le régime du plan de Colombo, sous réserve de la signature d'un accord de garanties satisfaisant.

On March 7, 1961, Cabinet agreed to the sale of uranium concentrate, provided that it would be used only to fuel the Canada-India reactor and that the Indians would observe the same safeguards as had been agreed on for the sale of fuel rods in 1960. On March 10, 1961, Cabinet agreed that the second lot of fuel rods should be financed from the Colombo Plan allocation for India, provided that a satisfactory safeguards agreement was signed.

570.

DEA/14003-J-2-3-40

*Le représentant permanent auprès du Bureau européen des Nations Unies
et représentant auprès de l'Agence internationale de l'énergie atomique
au sous-secrétaire d'État aux Affaires extérieures*

*Permanent Representative to European Office of United Nations
and Representative to International Atomic Energy Commission
to Under-Secretary of State for External Affairs*

LETTER NO. 186

Geneva, March 14, 1961

CONFIDENTIAL. EXTERNAL AFFAIRS EYES ONLY.

Reference: Your telegrams E-478 of March 9† and E-490 of March 13, 1961.†

ATOMIC SAFEGUARDS – PROPOSED SALE OF URANIUM
CONCENTRATE TO INDIA FOR CIR REACTOR

I feel that I should submit my comments on this transaction in view of the effect it may possibly have on Canada's efforts to achieve an agreement among western suppliers relating to the application of safeguards to bilateral sales.

2. Before commenting on the present transaction, I must go back to the agreement with India completed on February 6, 1960 for the supply of 100 fuel rods for the CIR reactor. I was in Vienna in September 1959 when Mr. J.L. Gray was negotiating with Dr. Bhabha on this subject. In Vienna telegram 147 of September 28, 1959,⁶⁰ Mr. Gray sent you the text of an agreement which he had worked out with Dr. Bhabha and which the latter was apparently willing to recommend to his government. The draft agreement included two paragraphs, No. 3 and No. 6, which together constituted the essence of the safeguards in the agreement, although the word "safeguards" was not used because of Dr. Bhabha's opposition. Paragraphs 3 and 6 read as follows:

"3. Canada, through AECL has the right to assure itself that the fuel elements supplied by Canada and the fissionable material (plutonium) produced in these elements are used only for peaceful purposes."

"6. Canada will have the right at any time to ask for a joint audit, both physical audit and record audit. Whenever Canada exercises that right, the report will be produced jointly by India and Canadian representatives."

In Vienna telegram No. 148 of September 28, 1959,† I gave my views as follows:

"I agreed with Gray that he should submit to you the draft settlement he reached with Bhabha because of over-riding importance to Canada in ensuring that satisfactory fuel (i.e. Canadian made) is available when reactors ready to start. I must, however call to your attention fact that safeguards are much disguised in this draft which was best draft Gray could get. We may have difficulty later on justifying ourselves to USA and UK in view of informal understanding that they should insist on safeguards in bilaterals. Also when proposed settlement with India becomes public subsequent negotiation of bilaterals containing customary safeguards clause may become more difficult.

2. Despite these worries I think we should approve draft settlement."

3. You raised several questions relating to this draft in your telegrams No. ET-1258† and ET-1260 of September 30, 1959† addressed to me in Vienna. As Mr. Gray had by that time left Vienna, I consulted with Dr. Bhabha and reported the results in Vienna telegram No. 155 of

⁶⁰ Voir/See Volume 26, document 156.

October 1.⁶¹ After reporting Dr. Bhabha's reaction to the points which you had instructed me to raise, I said in this telegram:

“Bhabha for his part raised important point on instructions from his superiors. They want paragraph 3 deleted as being redundant in view of paragraphs 6 and 7. I argued strongly against this. In the end we both agreed to recommend the following:

(1) Paragraph 3 to be moved to more logical position immediately after present paragraph 5.

(2) Words “to the extent provided in paragraphs 6 and 7 below” to be inserted in present paragraph 3 immediately after “assure itself”.”

This position was reiterated in Vienna telegram No. 162 of October 7.† I then returned to Geneva and the further negotiations were carried on by others. The next thing I saw was the report in your telegram ET-1458 of November 13, 1959 giving “the latest draft of the agreement ... which Gray will inform Bhabha that we are prepared to accept.” Paragraph 3 of the Vienna draft quoted above did not appear in the text given in telegram ET-1458 but paragraph 6 remained. The text⁶² as given in ET-1458 was the text which was eventually signed on February 6, 1960. Telegram ET-1458 did not explain why paragraph 3 had been dropped. As this telegram indicated that the matter had been definitely settled, I decided at the time not to offer any comments on this omission. I would like now, if I may, to say that I think the omission was a mistake in the light of the Canadian desire to achieve an agreement among western suppliers for the inclusion of meaningful safeguards clauses in bilateral agreements. I am sorry that I did not submit my views in November 1959.

4. It was with the greatest reluctance that I decided in Vienna on September 28, 1959 to endorse the draft text which Mr. Gray sent you in telegram No. 147. I thought, however, that this text was justifiable in view of (1) the fact that paragraphs 3 and 6 taken together gave the substance of safeguards albeit without the name, (2) the terrible prospect of India finding itself unable to commence operation of the CIR reactor because they did not have properly made fuel rods, and (3) the facts that the basic CIR agreement had been signed in 1956 months before the Statute of the I.A.E.A. was signed and that the supply of fuel rods for the initial fuelling of the reactor might reasonably be regarded as linked with the original transaction. These justifications for supplying the 100 rods without safeguards of I.A.E.A. type were, to my mind, greatly weakened by the dropping of paragraph 3. I am afraid that we are going to have difficulty in justifying this text to Australia and South Africa when it becomes known to them. At the same time, I recognize that, according to the telegrams which you referred to Geneva for information in November and December 1959, the United States and United Kingdom authorities made no comment when informed in confidence of the text of the agreement of February 6, 1960.

5. Now it has been decided to make a further sale to India of 25 tons of uranium concentrate on the same conditions relating to safeguards as were stated in the agreement of February 6, 1960. It seems to me that it will be more difficult to justify the second sale than the first. We are no longer faced, as we were in late 1959, with the nightmare possibility that the reactor would not be able to start operation for lack of proper fuel rods. The reactor is in operation and all the appropriate ceremonies have taken place. There is much less reason to make a second sale of uranium on doubtful safeguards terms than there was for the first sale. Against my argument there is the fact, which I cannot argue away, that paragraph 1 of the 1960 agreement contemplates more than just the *initial* sale of fuel. Para. 1 says:

⁶¹ Voir/See Volume 26, document 157.

⁶² Voir Volume 26, document 160 et Volume 27, document 413.

See Volume 26, document 160 and Volume 27, document 413.

“1. Canada will supply fuel elements, if required by India, for use in the Canada India Reactor on commercial terms in quantities mutually agreed to from time to time. The initial supply of fuel elements by Canada will consist of one hundred (100) rods of uranium with end plugs clad in the inner aluminium sheath.”

Perhaps we are legally bound by this to sell additional fuel elements “on commercial terms” when India needs them. But are we bound to sell concentrate, and are we obliged to provide “Colombo Plan financing” – which I presume means a gift?

6. There is another reason why, in my view, the second sale will be harder to explain. When the first sale was being negotiated in late 1959, the I.A.E.A. was still in the throes of trying to work out a safeguards system for the Agency and the outcome was uncertain; this fact was mentioned in your telegram ET-1460 of November 20, 1959⁶³ as one of the points to be made to the United States and United Kingdom when they were shown the text of the proposed agreement with India. At the present time the situation is entirely different. The Board of Governors of the I.A.E.A. did at last in January 1961 legislate to establish the principles and procedures of safeguards for the Agency.

7. I felt it my duty to set forth in this letter my misgivings about the sales to India, even though the second sale has apparently been decided upon and it is no doubt too late to reconsider the advisability of proceeding with it under the terms of the February 6, 1960 agreement.

8. If the Indians agree, as proposed in your telegram E-478, to remove the confidential label from that agreement, I presume that its text will either be published or at least be made generally known to interested governments and that the second sale will also become known. May I suggest that officials in Ottawa might consider whether a statement of explanation (of the safeguards aspects of the agreement) might be prepared in order that it could be used if necessary in subsequent discussions with Western supplying governments or other governments concerned with the development of a safeguards system. Such a statement may also be needed in the I.A.E.A. Board of Governors, as representatives of governments hostile to safeguards may try to use the text of our agreement with India as a basis for questioning Canada’s devotion to the cause of safeguards; certainly no scruples and no questions of logic will deter the Soviet Governor from doing this if he thinks it may help him to score a debating point.

M.H. WERSHOF

571.

DEA/14003-J-2-3-40

*Le haut-commissaire en Inde
au secrétaire d’État aux Affaires extérieures*

*High Commissioner in India
to Secretary of State for External Affairs*

TELEGRAM 236

New Delhi, March 25, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tels E-478 Mar 9† and E-564 Mar 22.†

Repeat for Information: Geneva, Washington, Paris, London from Ottawa.

By Bag Vienna from London.

⁶³ Voir/See Volume 26, document 161.

URANIUM CONCENTRATE FOR CIR

Bhabha called on me yesterday. I said you were most anxious to make public safeguard terms agreed upon for sale of rods and uranium concentrate for use in CIR as we thought further concealment was not repeat not in best interests of our cooperation in atomic development. Bhabha was not repeat not anxious to have it known that India had deviated somewhat from its position on safeguards and inquired about our reasons for requesting publicity. I quoted to him extracts of telegrams regarding UAR and other Arab nations fears based on unfounded rumours about atomic reactor in Israel.† Bhabha seemed anxious to continue cooperation with us particularly in a CANDU type power reactor and accepted our suggestion that terms should be announced publicly. He asked however that suitable preamble should explain our reasons for safeguard terms of our agreement. The preamble would state the compromise was reached only for a specific case (the CIR) and does not repeat not represent any departure from our respective attitudes to principle of safeguards. He is leaving India but said he would try to send us a draft of his proposed preamble before his departure on April 5.

2. Bhabha again discussed possibility of Canadian-Indian cooperation in a CANDU type power reactor and asked if aside from question of finance (he seems confident that since power reactor to be established near Delhi is included in third plan financial provisions will be made.) Canada would cooperate under an agreement with terms similar to that of Canada-India reactor in Bombay. He repeated that India was prepared to use fuel only from Canadian sources in addition to fuel which India could provide from its own sources. He was sorry that due to other duties it had not repeat not been possible as yet to send an Indian scientist to Canada to work with Gray in investigation suggested by Gray during our conversations here [Group corrupt].

[C.A.] RONNING

572.

DEA/14003-J-2-3-40

*Le représentant permanent auprès du Bureau européen des Nations Unies
et représentant auprès de l'Agence internationale de l'énergie atomique
au secrétaire d'État aux Affaires extérieures*

*Permanent Representative to European Office of United Nations
and Representative to International Atomic Energy Commission
to Secretary of State for External Affairs*

TELEGRAM 386

Geneva, April 25, 1961

SECRET

Reference: Delhi Tel 318 Apr 21.†

Repeat for Information: Washington, Paris, London, AECL Ottawa, AECB Ottawa, Eldorado (2), PCO Ottawa, T&C Ottawa, Finance Ottawa from Ottawa, Vienna from London, Delhi from Ottawa.

SAFEGUARDS ON INDIAN NUCLEAR POWER STATION

I neglected to comment on paragraph 2 of Delhi telegram 236 March 25 which reported Bhabha's inquiry whether Canada would cooperate on a power reactor on terms similar to those applicable to CIR reactor. I presume that word "terms" refers inter alia to safeguards terms agreed in February 1960 for CIR fuel rods.

2. In view of discussion of this question in Delhi telegram 318 I consider it my duty to submit my views as Canadian representative to IAEA. In my letter 186 March 14 I explained my misgivings about extending February 1960 safeguards terms to the proposed second sale of Canadian fuel for CIR reactor. It follows that from my viewpoint it would be very undesirable

to use February 1960 safeguards terms for an entirely new transaction i.e. a power reactor. Situation would be quite different if USA and UK were to give their blessing in advance but there is no repeat no reason to think that USA would agree to what Bhabha wants from Canada.

[M.H.] WERSHOF

573.

DEA/14003-J-2-3-40

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

TELEGRAM 391

New Delhi, May 15, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: Geneva, London, Washington, External Aid from Ottawa.

By Bag Vienna from London.

SAFEGUARDS ON INDIAN NUCLEAR POWER STATION

We have been reflecting further on problems raised in our telegram 318 April 21† in light of comments in Geneva telegram 386 April 25. From point of view of this mission it would be advantageous for our relations with India (and Western relations generally as UK recognized in paragraph 1 of their memorandum)⁶⁴ if Canada could participate in design, construction fueling and financing of a power reactor in Delhi area where it would be a conspicuous monument. We would observe it would be an equally conspicuous Soviet showpiece if they did the job. We have therefore considered whether a case might be made which would secure USA and UK acquiescence in an arrangement based on February 19, 1960 safeguards agreement for fuel provision in conjunction with a document like 1956 CIR agreement for design construction and financing.

2. Apart from fostering our relations with India our participation in a power reactor project would ensure that a substantial proportion of Indian uranium imports would continue to be safeguards of some kind thereby eroding Indian position of principle. (It will be interesting to see next month what conditions regarding safeguards are included in tenders for Tarapur.) We would emphasize certainty that India will construct additional nuclear power stations even though there may be only Tarapur plant during third plan period and they can get equipment and uranium without safeguards from Soviet bloc. We would observe that every power reactor built with no repeat no safeguards at all on its fuels would appear to erode UK-USA position more than any arrangement which accepted principle of safeguards.

3. We suggest that overall problem might be examined in concrete terms such as number of power reactors which non-communist countries resisting safeguards are likely to be able to finance from their foreign exchange resources up to 1970 (target date mentioned in UK memorandum paragraph 3(b)). Our estimate for India would not repeat not go beyond four completed in that period namely Tarapur plus Delhi project and one or possibly two others financed under fourth plan. We would be interested in an overall estimate for all countries in this class. If USA insists on elaborate safeguards on equipment as well as fuel and UK, Canada

⁶⁴ Voir Robertson à Bryce, 17 avril 1961, et pièce jointe, MAE 14003-J-2-3-40.

See Robertson to Bryce, April 17, 1961, and enclosure, DEA 14003-J-2-3-40.

and other possible Western suppliers confirm, result by 1970 may well be establishment in India and other countries resisting safeguards of Soviet bloc as only source of uranium and power reactor equipment.

4. We would draw attention to article 11 of CIR agreement which provides in effect that "fuel elements" for that reactor would not repeat not be imported from any source other than Canada. Apart from assuring a uranium market inclusion of a comparable clause in a power reactor agreement would appear to ensure that safeguards along February 1960 lines could be applied to all fuel elements other than those manufactured in India. Presumably wording could be tightened up in view of Bhabha's hints reported in paragraph 2 our telegram 157 February 27 in order to ensure its application not repeat not only to "fuel elements" but also to imports of uranium in any form for both initial charge and continuing requirements.

5. Indians might well resist such a provision as going beyond February 1960 terms if it were first advanced in safeguards context. However Bhabha might be persuaded to include it in a basic project agreement as reflecting a reasonable desire to guarantee an exclusive market for Canadian uranium in return for our financial and engineering assistance. Unless Indian uranium sources expand considerably in next ten years practical effect of such a clause would be to facilitate application of safeguards agreed in detail later to all fuel in power reactor at all times up to at least 1970. In safeguards agreement we could provide for their application to equivalent quantities drawn in emergencies from other sources pending Canadian deliveries in light of experience with second CIR charge.

6. Article 11 also provided that subsequent agreement for provision of fuel should be in keeping with principles of International Agency which was then only a future concept. Equivalent clause in an agreement today presumably would provide that any safeguards procedures adopted by IAEA should govern provision of fuels. We suggest that by such means principles of safeguards can be demonstrated to be defended.

7. In all foregoing we are assuming that there is no repeat no concern that India might attempt clandestine diversion of plutonium for weapons purposes and that terms of a Canada-India agreement would be important only as a possible precedent. It seems to us moreover that precedent would only be important if there were several countries resisting safeguards but without prospects of Soviet aid which were in a position to press UK and USA for power reactors and fuel and which were suspect of intent to divert fuels clandestinely to weapons.

8. It seems to us that degree of our interest in this matter is related to question whether Canada might be prepared in next year or two to undertake external costs of a power reactor in India. If we are unlikely to be so prepared it would appear undesirable to this mission for Canada to exercise anything other than a liberalizing influence on UK and (USA?) policy. If there is a possibility of Canadian financial aid for this purpose desirability of exerting such an influence seems even greater.

574.

DEA/14003-J-2-3-40

*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-1009

Ottawa, May 18, 1961

CONFIDENTIAL. ROUTINE.

Reference: Your Tels 359,† May 2 and 388, May 12.†

Repeat for Information: Vienna, Geneva, London, Washington, Paris.

SAFEGUARDS FOR CIR FUEL

A. Removal of Confidential Restrictions.

As you know our request here applied to all the agreements on fuel, i.e. both the fuel rods and the uranium concentrate. Paragraph 3 of our telegram E-928† may have misled you; we have always recognized that India has as much interest as Canada in protecting itself against “misinterpretations.” It is in fact our estimate of the very strong views the Indians hold on the subject that makes us reluctant to “give an undertaking” to interpret them to third parties. If however Bhabha wishes to prepare a written statement we could undertake to make it available when appropriate – provided of course that it did not appear to us to misrepresent our own position in this matter. We still consider however that the simple and uncomplicated approach outlined in our telegram E-928 is to be preferred.

B. Fuel Rods.

You may wish to bear in mind that in your letters or discussions with the Indians it would be advisable to avoid use of the word “safeguards” since it is associated in their minds with the agency safeguards which they have strenuously opposed. We have not seen the texts of your exchange of letters with the Ministry of Finance and so do not know exactly what the present position may be. Paragraph 2 of your telegram 388, May 12, suggests that it may have dealt with both fuel rods and concentrates. If however it referred only to the rods and not repeat not to the concentrates, a letter along the following lines should go to Bhabha in his capacity as Secretary to Government of India. Text Begins:

“Refer to the 100 rods of uranium which, as I mentioned in my letter of (date to be supplied) to the Ministry of Finance, are to be provided to India under the 1960-61 Colombo Plan programme. In accordance with the reply of (date to be supplied) received from the Ministry of Finance, it is my understanding, which I would request you to confirm, that the Government of India proposes to apply to these fuel elements the same arrangements as were set out in the exchange of letters effected between us on February 6, 1960.” Text Ends.

C. Uranium Concentrate.

Since the February 1960 agreement will apply to the concentrate *mutatis mutandis* and since there will be the additional undertaking (volunteered by Bhabha) that the concentrate will be used only in the CIR, this transaction will have to be covered by a separate exchange. It will probably be necessary to modify certain technical details in which the requirements set out for the rods would be inappropriate. We are working on this problem now and shall let you have a suggested draft text, but we do not wish you to discuss with the Indians the terms of this arrangement until we receive confirmation from them that they in fact intend to buy the concentrate.

575.

DEA/14003-J-2-3-40

*Annexe à l'ordre du jour d'une séance
du Comité consultatif de l'énergie atomique*
*Annex to Agenda of Meeting of Advisory Panel
on Atomic Energy*

SECRET

[Ottawa], May 30, 1961

SAFEGUARDS IN ATOMIC ENERGY COOPERATION
WITH INDIA: SUMMARY OF CONSIDERATIONS

The Canadian High Commissioner's Office in New Delhi has now received a formal request from Dr. Bhabha that Canada agree to carry out a preliminary survey to determine where in a specified region of India and with what necessary modifications a CANDU type power reactor might be built by the Indians with Canadian technical and financial assistance. Though it is only a preliminary feasibility study that is in question at the moment, it is not advisable to embark upon such a study without having formulated a clear idea of the safeguards conditions we shall wish to attach to any resulting joint project. A second point is that Canada is to be represented at a meeting of western suppliers on June 12 to 14 at which the United States hopes to secure renewed support for the continuance of a common front on the maintenance of bilateral safeguards comparable in effectiveness with those of the IAEA. Our position at this meeting would be difficult unless we had a pretty clear idea of what stand we wish to take on safeguards for India.

Dr. Bhabha has already indicated that India would accept for a CANDU reactor the same conditions that were agreed upon in 1956 for the CIR, and would use fuel only from Canadian or Indian sources (Delhi telegram 236 of March 25). If an agreement were negotiated along these lines, there would in effect be no safeguards on the reactor itself but a simple pledge on the part of India that the reactor and any products resulting from its use will be employed for peaceful purposes only. An agreement on the fuel similar to that of February 6, 1960 would provide for joint audits, both physical and record (to be made by mutual consent) of the Canadian fuel and of the plutonium produced therefrom (or of an assessed equivalent quantity). There would be no safeguards on the Indian fuel.

Two other power reactors (at Tarapur) have been programmed by India on which international bidding opens today (May 31). It is thought that the French might bid on them. Several United Kingdom firms are interested and the United Kingdom has accordingly suggested to Canada and the United States that special terms might be offered to the Indians (Aide Mémoire April 14, 1961). † Four possible concessions were suggested:

(a) Safeguards would be dropped if a cut-off on the production of fissile material for military purposes were put into operation in India under an international control system of which both India and the United Kingdom were members;

(b) Provision would be made for a review of the safeguards provisions at the end of ten (or possibly five) years;

(c) Safeguards on produced fissile materials would not be extended beyond the first generation;

(d) The safeguards provisions should be made reciprocal.

The United States has indicated that it could accept (a) and (b) and we understand that it would in fact probably be able, if necessary, to accept (d). It would, however, prefer that any approach to the Indians should include as an alternative what is known as the "equivalent deposit concept" (used in our own agreement with the Indians). Point (c) the United States are

not prepared to concede, on the grounds that Article XII 5 of the IAEA Statute specifically requires safeguards on succeeding generations of produced material and that the exception in the IAEA safeguards applies only to reactors of less than 100 mw thermal power. They are not willing to extend the exception on an *ad hoc* basis to Indian power reactors which they claim will have a military potential by 1967-70 (Washington telegram 1300 of May 19).†

We ourselves replied to the United Kingdom enquiries in general terms that we thought their suggestions were useful and should be further examined. We do not know whether they have yet taken them up with Australia and South Africa, the other members of the "Ottawa group."

In considering whether we wish to adopt either of the above approaches to the Indians, we shall have to take account of two principal points: how far either is likely to be accepted by the Indians and how far each is compatible with our general policy and with our specific obligations under the IAEA. Extensive comments on both these points from New Delhi and from Mr. Wershof and Mr. Goldschlag are contained in the following telegrams: New Delhi 318 of April 21;† 391 of May 15; Geneva 346 of April 19;† 679 of May 24.†

576.

DEA/14003-J-2-3-40

*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*

SECRET

[Ottawa], June 1961

CANDU POWER REACTOR FOR INDIA: FEASIBILITY STUDY

As mentioned in our Memorandum to you of March 1, the President of Atomic Energy of Canada Limited and senior Canadian officials have discussed with Dr. H.J. Bhabha (Chairman of the Indian Atomic Energy Commission) the possibility that Canada and India might cooperate in the planning and construction of a 200 megawatt power reactor of the CANDU type, fuelled with natural uranium, moderated and cooled by heavy water. There was general agreement that before proceeding with any such project it would be necessary to carry out an extensive preliminary survey in order to assess its economic feasibility and cost and to determine what modifications in the CANDU design might be required by reason of climatic or other special conditions. If the Government approved, Atomic Energy of Canada Limited would be prepared to pay for and to carry out this survey (estimated to cost up to \$100,000) with some help from an outside firm of consultants – most probably Montreal Engineering.

The Office of the Canadian High Commissioner in New Delhi has now received a formal request from Dr. Bhabha on behalf of the Government of India that we proceed with the preliminary survey in association with Indian engineers of the Department of Atomic Energy. It is suggested that the study should be undertaken at an early date so that the Indian decision to go ahead if the results are favourable could be taken before the end of this year.

Senior officials of the Departments concerned have again examined this matter and recommend that the survey be proceeded with, in view of the political importance of continued cooperation between India and Canada in the atomic field and the possible economic advantages related to opportunities to supply equipment and uranium to India. This recommendation is made on the understanding that any resulting proposal for Canadian assistance in constructing a reactor would be strictly examined in the light of its financial and economic viability. The relative merits so far as Canada is concerned of financing the foreign

exchange component under the Colombo Plan or under Section 21A of the Export Credits Insurance Act would also require examination if it were decided that Canada should undertake to assist in the financing.

Another consideration that should be taken into account before embarking upon the survey is our position on the safeguards to be applied to any project that might eventually be decided upon. The International Atomic Energy Agency (IAEA) safeguards, which Canada has strongly supported, apply to reactors of up to 100 megawatts (thermal) power. The IAEA hopes that by the time reactors of over 100 mw are likely to be available for general use suitable criteria for the extension of safeguards to such reactors will have been developed. Dr. Bhabha has already informed us that India would accept an arrangement similar to that worked out for the Canada – India reactor and its fuel. This would mean, in effect, that there would be a joint audit and accounting system for the Canadian-supplied fuel but no safeguards on the reactor itself. It is however the impression of those who have discussed the matter with Dr. Bhabha that it would be possible to work out a mutually acceptable arrangement by which safeguards could be applied to the reactor as well as the fuel. Any other course would be inconsistent with our established position of support for the IAEA and its system of safeguards, both of which have come into existence since the original CIR agreement (on the reactor) was signed in 1956.

It is therefore recommended that our reply to the Government of India, though not requiring the conclusion of a safeguards agreement now as a condition precedent, should make it clear that the survey is being undertaken in the expectation that, should any joint project be undertaken as a result, mutually acceptable provisions for safeguards on reactor and fuel could be worked out.

A suggested draft along these lines† is attached for your approval.⁶⁵ I understand that similar Memoranda are being sent to the Ministers of Finance, Trade and Commerce, and to Mr. Churchill as Chairman of the Committee of the Privy Council on Scientific and Industrial Research.

N.A. R[OBERTSON]

577.

DEA/14003-J-2-3-40

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

TELEGRAM 541

New Delhi, July 11, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tel E-1009 May 18.

Repeat for Information: External Aid from Ottawa.

SAFEGUARDS FOR CIR FUEL RODS

Following letter received from Bhabha. "I refer to your letter dated (May 25?) regarding the supply of an additional 100 rods of uranium for the Canada-India reactor under the 1960-61 Colombo Plan programme, and confirm that the Government of India proposes to apply to

⁶⁵ Note marginale :/Marginal note:
OK. H.C. G[reen] 27/6

these fuel elements the same arrangements as were set out in the exchange of notes effected between us on February 6, 1961.” We suggest that this reply should complete official exchange on subject and that agreement might now be effective.

578.

DEA/14003-J-2-3-40

*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-1411

Ottawa, July 13, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 541 July 11.

Repeat for Information: Washington, London, Geneva, Vienna, T&C, EAO.

SAFEGUARDS FOR CIR FUEL RODS

Bhabha's letter as quoted in your reference telegram is satisfactory and we now regard the agreement as being in effect.

579.

DEA/14003-J-2-3-40

*Note de la 1^{ère} Direction économique
Memorandum by Economic (1) Division*

CONFIDENTIAL

[Ottawa], November 7, 1961

CANADIAN ATOMIC COOPERATION WITH INDIA: SAFEGUARDS
ON CANDU PROJECT

At a meeting on November 3, 1961 attended by Messrs. A.E. Ritchie, J.L. Gray, A.W.F. Plumptre and G.G. Steele (Treasury Board), the following agreement was reached about safeguards on a CANDU reactor which might be built in India with technical advice and assistance from Atomic Energy of Canada Limited.

1. It was recognized that in the spirit of the IAEA Safeguards Agreement and also because India is a test case when it comes to safeguards requirements, there might be some obligation upon Canada to require safeguards on a CANDU reactor even if Canadian assistance were to consist chiefly of advice and know-how.

2. It was noted that Mr. J.L. Gray, in his letter of October 31 to Dr. Bhabha, † had pointed out that the question whether the Canadian Government would require safeguards on the reactor itself would have to be discussed further with Government officials.

3. It was agreed that no further action than the above under 2 need be taken until it was certain that the project would in fact get under way.

[H.D. BURWASH]

SECTION D

GHANA

SUBDIVISION I/SUB-SECTION I

INSTRUCTEURS MILITAIRES FRANCOPHONES
FRENCH-SPEAKING MILITARY INSTRUCTORS

580.

DEA/10283-A-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], February 22, 1961

PROVISION OF MILITARY PERSONNEL
TO INSTRUCT GHANAIAAN CADETS

Last December the Prime Minister of Ghana wrote to Mr. Diefenbaker asking him if Canada could provide some French-speaking military instructors to teach French and other academic subjects to cadets in the Ghana Military Academy.⁶⁶ The Prime Minister indicated that he would be prepared to examine a recommendation from the Departments concerned. I therefore wrote to the Chairman, Chiefs of Staff, bringing the matter to his attention and in his reply of February 16, Air Marshal Miller indicated that it may be possible to grant the Ghanaian request, although – since this is not the sort of thing which provides tangible military benefits to Canada – the Chiefs of Staff would not themselves place a high priority on the request. If on other grounds, however, meeting the request were considered important, National Defence would be prepared to send an officer to Ghana to look into the matter. The departmental view is that the request should be met not on grounds of military benefit to Canada but on grounds of the great desirability of not refusing, at the present time especially, Commonwealth aid to Ghana whenever it is possible to grant it. There is increasing evidence that Ghana will turn to the Communist bloc for assistance when it has not been forthcoming from the West and it would be unfortunate if unbiased advisers should no longer be present in Ghana particularly on matters such as the training of Ghanaian cadets which could offer such easy targets for indoctrination by unscrupulous instructors.

2. If you agree you may therefore wish to sign the attached letter to the Minister of National Defence† urging that an officer be sent as soon as possible to Ghana.⁶⁷

3. You may think it desirable to bring the matter to the Prime Minister's attention before writing to Mr. Harkness and I attach a brief covering Memorandum to the Prime Minister for your initials bringing him up-to-date on where the matter stands at present.⁶⁸

N.A. R[OBERTSON]

⁶⁶ Voir/See Volume 27, document 465.

⁶⁷ Note marginale :/Marginal note:
To await PM's decision. [Ross Campbell]

⁶⁸ Notes marginales :/Marginal notes:
Initialled by SSEA 24/2. [Ross Campbell]
Forwarded to Prime Minister 24/2 [Auteur inconnu/Author unknown]

[PIÈCE JOINTE/ENCLOSURE]

*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 22, 1961

PROVISION OF MILITARY PERSONNEL
TO INSTRUCT GHANAIA N CADETS

You will recall that in December, in a letter to you, President Nkrumah asked if Canada could provide French-speaking military personnel to instruct Ghanaian cadets in French and other academic subjects. The Chairman, Chiefs of Staff, has informed by Department that it may be possible to grant the request and that as a first step they would propose to send an officer to Ghana to look into the matter although they do not consider the request of a high priority from the military standpoint. In my view the request should be met not on grounds of military benefit to Canada but on grounds of the great desirability, particularly at the present time of aid to Ghana in a Commonwealth context not being refused whenever it is possible to grant it.

2. Since I believe you might like to be able to tell Dr. Nkrumah when you meet him in London that favourable consideration is being given to his request, I am at this stage submitting to you a letter† which if you approve I propose to send to my colleague, the Minister of National Defence.⁶⁹

H.C. G[REEN]

581.

DEA/10283-A-4-40

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

TELEGRAM DL-422

Ottawa, March 14, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 67 Feb 23.†

Repeat for Information: Prime Del London (OpImmediate), CCOS, DM/DND.

MILITARY INSTRUCTORS FOR GHANA

You will be interested to know that following his meeting on Sunday, March 12 with President Nkrumah, the Prime Minister instructed us to inform departments concerned that they should go ahead with preparations to meet Ghanaian request for French speaking military instructors.

2. It is proposed by National Defence that Colonel P.S. Cooper, who is presently at army headquarters, will leave as soon as possible for Accra. The time of his arrival there will be advised as soon as available. Colonel Cooper has been selected for this task in that he is a

⁶⁹ Note marginale :/Marginal note:
Prime Minister approves. H.B. R[obinson] Feb. 25

former commandant of Royal Roads and is therefore completely familiar with our military college system. In addition he has had all the inoculations, etc., necessary for him to proceed at once.

3. Colonel Cooper is being briefed to examine all aspects of the request with the Ghanaian authorities but he is being cautioned not to make any commitments in this matter.

582.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], June 1, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

PROVISION OF CANADIAN MILITARY TRAINING
 ASSISTANCE TO GHANA

16. *The Minister of National Defence* said that, following upon the exchange of correspondence between the Prime Minister of Canada and the President of Ghana regarding the provision of Canadian military training assistance to the Armed Forces of Ghana, a senior Canadian officer had investigated the matter in detail. Altogether the Ghanaian request would involve from 26 to 29 officers and men. Most of the kinds of personnel requested could be made available, but only one out of three medical officers requested could be spared for the purpose.

If this request should be acceded to, some of the personnel might be drawn from the militia. This would provide valuable experience to the militia personnel without depleting the ranks of the regular forces.

An explanatory memorandum had been circulated, (Minister's memorandum, May 3 – Cab. Doc. 181-61).†

17. *During the brief discussion* some Ministers said that President Nkrumah appeared to have dreams of becoming the overlord of Africa, and that he might possibly seek the support of Communist Countries in seeking this objective.

18. *The Cabinet* approved the recommendation of the Minister of National Defence that military training assistance be provided to Ghana, including a military adviser to the High Commissioner and a maximum of about 30 officers and men, on the following basis.

- (a) that some of the required personnel should be drawn from the Canadian militia;
- (b) that Canada reserve the right to withdraw any or all military personnel at any time;
- (c) that Ghana undertake not to involve Canadian officers or men directly in aid to the civil power or in any military operations outside Ghana;
- (d) that Canadian officers and men may not undertake any activity contrary to their oath of allegiance to Her Majesty;
- (e) that the other terms of service and the legal status of the Canadian officers be determined following consultation between the two governments;
- (f) that Canada pay officers and men their normal pay and allowances;
- (g) that Ghana move officers and men and their families to and from Ghana, and provide such additional allowances, quarters and services as may be determined following consultation between the two governments;
- (h) that personnel made available under this plan be placed on the Special, Armed Forces Senior Appointments and Seconded Establishment List; and,
- (i) that it may not be feasible to satisfy completely the requirement for medical officers.

...

583.

DEA/10283-A-3-40

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

*High Commissioner in Ghana
to Secretary of State for External Affairs*

TELEGRAM 324

Accra, September 23, 1961

SECRET. CANADIAN EYES ONLY. EMERGENCY.

Repeat for Information: London, Washington (OpImmediate) from Ottawa.

CANADIAN ARMED FORCES TRAINING TEAM – GHANA

Nkrumah last night handed General Alexander a letter terminating Alexander's appointment and indicating that British officers as members of Ghanaian armed forces were no longer required. Nkrumah in this letter pointed out British policy in Africa necessitated this action. Nkrumah apparently told Alexander that in due course a request would be made of UK Government for a military mission coinciding with Nkrumah's public announcement last night that Brigadier Otu had been promoted major general and appointed Army Chief of Staff. He also announced that in future command positions would be held only by Ghanaians.

2. I have just returned from seeing Alexander and he is extremely pessimistic about future. He thinks Nkrumah is "mad." Nkrumah was dirty and untidy when he saw him. Nkrumah apparently will listen to no repeat no reason and at one point in conversation remarked he did not repeat not care what happened to armed forces. He was also indifferent to (Butler?).

3. Alexander will leave Ghana on September 25. He is advising his British officers to remain on job until such time as Otu asks for them to leave.

4. Alexander's (advice?) to us is that we should not repeat not take any precipitate action. At the moment Nkrumah's venom is directed at UK. Alexander suggested however that we delay

coming forward of any additional Canadian officers until situation is a little clearer. I recommend therefore that we accept General Alexander's advice. We have already taken action to hold Sellar in London.

5. Alexander is doubtful whether UK Government will accept offer to provide military mission. He does not repeat not know whether Nkrumah has made arrangements with Eastern European countries to provide military assistance. He thinks we may be in for a difficult time with a called for calculated government policy of anti-white. Alexander has recommended to Snelling that UK High Commissioner's Office prepare emergency plans.

6. I am seeking appointment with Nkrumah. Alexander expects however Nkrumah will tell me that he wishes Canadian team to remain.

7. The withdrawal of British officers has many implications as you well know. For time being I suggest we stand firm and take no repeat no precipitate action. If Nkrumah is or has become irrational his future actions are even more unpredictable. Although strikers are reported to have returned to work yesterday I do not repeat not think Nkrumah is out of woods. There may be an increased tendency to discover plot which may be laid at door of some Western countries.⁷⁰ If Nkrumah's anti-British mood becomes more pronounced it may affect his thinking about Commonwealth. His present mood may be simply an emotional reaction to current domestic problem. I understand Bing has been exerting himself with Nkrumah to vilify West.

8. Our communication facilities are slow and I would suggest our Mission in London and Washington keep in constant contact with CRO and State Department respectively. I have briefed USA Ambassador.

[B.M.] WILLIAMS

584.

DEA/10283-A-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*

SECRET

[Ottawa], September 25, 1961

CANADIAN ARMED FORCES TRAINING TEAM – GHANA

On your instructions, and after consulting the Prime Minister, the attached telegram DL-1186 was despatched.

2. On the assumption that political rather than technical military considerations should govern a decision on whether to proceed as planned with military assistance to Ghana, we have drafted the attached instructions to Mr. Williams.† The danger of increasing Ghana's dependence on the Soviet Union would, it seems to me, be only increased by leaving a vacuum which Nkrumah would be tempted to fill from Moscow. The argument over Alexander need not affect our own activities and is not at least wholly ideological.

3. This proposed telegram was drafted in concert with the Divisions concerned but has not, so far, been discussed with the Department of National Defence.

N.A. R[OBERTSON]

⁷⁰ Voir/See "Ghana Claims Group Planned Coup d'État," *Globe and Mail*, December 11, 1961, p. 26.

[PIÈCE JOINTE/ENCLOSURE]

*Le sous-secrétaire d'État aux Affaires extérieures
au haut-commissaire au Ghana*

*Under-Secretary of State for External Affairs
to High Commissioner in Ghana*

TELEGRAM DL-1186

Ottawa, September 25, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 324 of Sep 23.

Repeat for Information: London, Washington (OpImmediate), CCOS.

We have informed National Defence that this department has no objection to Canadian officers now in London proceeding to Accra. Presence of Colonel Schelderup in Accra should be useful at this time.

N.A. ROBERTSON

585.

DEA/10283-A-3-40

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

*Secretary of State for External Affairs
to High Commissioner in Ghana*

TELEGRAM G-280

Ottawa, September 25, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 324 Sept 23, Our Tel DL-1186 Sept 25.

Repeat for Information: CCOS, London, Washington (OpImmediate).

CANADIAN ARMED FORCES TRAINING TEAM – GHANA

Our reference telegram shows that three officers are to proceed from London.

2. We realize that the situation in Ghana is difficult and may worsen but for the time being the balance of political argument points toward carrying on the plans for Canadian military assistance without raising questions of principle. Unless unexpected developments occur the remaining personnel will proceed from Canada.

3. We would welcome your own further reporting on the situation but for the present please proceed with the plan in a normal manner. There seems to be a useful role for Canada and its usefulness will in part depend on dissociation from the situation arising from Alexander's departure. We are satisfied that the UK would share this view.

For London – Please convey the gist of this message to the UK authorities.

[HOWARD GREEN]

586.

DEA/10283-A-3-40

*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 3470

London, September 25, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Accra Tel 324 Sep 23.

Repeat for information: Accra (OpImmediate) from New York.

GHANA: RETIREMENT OF GENERAL ALEXANDER AND RELATED
POLITICAL AND ECONOMIC MATTERS

We saw K.A. East, Head West African Department CRO, this afternoon. He read to us from a telegram sent to CRO by Snelling following his interview with Alexander. Snelling confirmed that Nkrumah had told Alexander that UK action over Katanga had made it essential to remove UK officers from senior positions in Ghanaian armed forces. Remaining UK officers might in due course be requested to stay as the nucleus of a military mission. This was in line with announced Ghanaian policy of Africanization.

2. Privately Alexander told Snelling that he thought that Nkrumah's decision, while in part the result of UK policy in Katanga, had also been influenced by the very unfriendly attitude of UK popular press to Ghana over the past few months, by a suspicion that British must somehow be behind the Takoradi strike, and finally by prolonged Soviet overtures culminating in Nkrumah's recent visit to USSR. Alexander told Snelling that he thought that Nkrumah was definitely prepared to swing Ghana more closely into Soviet camp. Sir Robert Jackson has confirmed to Snelling that (although this had not repeat not yet been announced) all senior UK civilian employees of Ghana government will be asked to leave fairly shortly with the exception of Geoffrey Bing, who is to obtain a senior position at Legon University.

3. Snelling reported that an agreement had already been signed between Ghana and USSR, and would be shortly announced, for Russians to build dam on the Volta. As a preliminary measure Ghanaians have undertaken to build 200 air conditioned houses for Russians on the dam site to cost between 1.4 and 2 million pounds. As a result USA is sending Mennen Williams to Accra to investigate and USA officials told CRO today that Volta River agreement would definitely not repeat not be signed on October 5, according to original plan.

4. It is Snelling's opinion that "the ruling clique," whom he identified as Adamafo, Baako, Adjei, Boateng and Bing "alone have Nkrumah's ear" and he takes a pessimistic view of the future.

5. Snelling considers all the above to represent the extreme left and because of their influence on Nkrumah he is now concerned for the possible safety of UK community and property in a prospective "lurch to the left."

6. East said that Snelling had been instructed to seek an interview with Nkrumah as soon as possible and was to have seen him this morning. He is instructed to say that the termination of Alexander's appointment in this abrupt manner without any prior consultation with UK is a cause of grave concern and that UK would be grateful to know what interpretation they should put upon it. Snelling is also to suggest to Nkrumah, that Mr. Sandys might go immediately to Accra for a heart-to-heart talk with Nkrumah to find out exactly what is on his mind. It had been the intention that Mr. Sandys should do this when he accompanied [the] Queen on her

forthcoming visit to Ghana but it was now felt imperative that he should see Nkrumah immediately since the visit of Queen may now be in jeopardy.⁷¹

7. On this point East observed that since it was clearly to the interest of Adamafo and his colleagues to secure the cancellation of the visit and to represent it as a triumph therefore UK would make no repeat no move at cancellation on their side. On the other hand CRO had UK public opinion to consider which has recently become markedly hostile towards Ghana. It is hoped, however, that if any cancellation has to be made it would be at Ghanaian initiative and on technical grounds.

8. In agreeing to see us as soon as CRO had news of Snelling's interview with Nkrumah East said CRO view was that Nkrumah has become so progressively convinced of his personal infallibility that if anything went wrong he could not repeat not conceive that it was his fault. It must be due to outside pressures.

587.

DEA/12304-40

*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 3510

London, September 27, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel G-280 Sep 25.

Repeat for Information: Washington (OpImmediate), CCOS Ottawa, Accra (OpImmediate) from Ottawa.

NKRUMAH-SNELLING INTERVIEW RE GENERAL ALEXANDER

In conveying the gist of your reference telegram to CRO we learned from K.A. East, Head West African Department, that UK share the view expressed in it, regarding Canadian armed forces training team for Ghana.

2. East also let us see Snelling's report of the interview which he had with Nkrumah on September 26. The interview was not repeat not entirely satisfactory to UK since Nkrumah was not repeat not prepared to say at this stage whether he would welcome the proposed visit from Mr. Sandys described in our telegram 3470 September 25. Nkrumah did say, however, that he had terminated Alexander's appointment "with great reluctance" and under persistent pressure from Casablanca Powers⁷² who took the view that Ghana could not repeat not take its rightful place in leading African militant non-aligned opinion while its armed forces were directed by British officers. Nkrumah also expressed strong resentment at the attitude toward Ghana in the popular British press. He concluded by saying that he did not repeat not want to become involved in the cold war but that he must protect his non-aligned position. He said "I am not repeat not on the side of the Communists but on the side of Africa."

⁷¹ Sandys fait deux visites au début d'octobre. Il recommande que la visite royale ait lieu.

Sandys made two visits to Ghana in early October. He recommended that the royal visit should proceed.

⁷² Le Groupe de Casablanca (future Organisation de l'unité africaine) comprend la République arabe unie, le Ghana, la Guinée, le Mali, le Maroc et le Gouvernement provisoire algérien.

The Casablanca Group (later the Organisation of African Unity) included the United Arab Republic, Ghana, Guinea, Mali, Morocco, and the Algerian Provisional Government.

3. Snelling thinks Nkrumah's unwillingness to make a decision on Mr. Sandys' visit was due to his wishing first to consult "the ruling clique" and also because of his suspicion lest Mr. Sandys might be coming to Ghana in a role similar to that cast for Mr. Mennen Williams (see our reference telegram). Snelling proposes to give Nkrumah 48 hours in which to reply and then to seek a further interview. We asked East how Mr. Sandys had taken this and he replied obliquely that Mr. Sandys was "not repeat not a good waiter."

4. Snelling's assessment of Ghanaian position, as outlined to him by Nkrumah and subsequently by Dei Anang, is as follows:

(1) Snelling blames the press war between Ghana and UK for considerably worsening relations between the two countries;

(2) Snelling believes Nkrumah's statement regarding the pressure to which he was subjected by Casablanca Group;

(3) Snelling believes that as a result of his visit to USSR Nkrumah is a tremendous admirer of Soviet and Communist achievement but that he is not repeat not a Communist or Communist inclined;

(4) Snelling thinks it essential that if British officers have to go they should not repeat not be replaced by Communists and is inclined to think that Nkrumah's decision to accept Soviet offer to train Ghanaian Cadets in USSR may have been a way of ensuring "Soviet training at a distance" (the relevance of this to the decision in your reference telegram to proceed with Canadian Armed forces training team in Ghana "in a normal manner" will be evident);

(5) Snelling thinks the right in Ghana is in "complete disarray" and that the ruling clique alone has Nkrumah's ear;

(6) though Snelling regards Nkrumah as "sane," he believes that he is haunted by fears of assassination arising from the recent revolt in Ghana against his administration (e.g. the Takaradi strikes and, if General Alexander is to be believed, the decision of 5000 Ghanaian soldiers to see him off at Accra airport contrary to strict instructions from Nkrumah's office;

(7) Snelling believes that equivocal UK policy over Katanga was relevant to Nkrumah's decision to replace Alexander;

(8) Snelling's final assessment is that Nkrumah does not repeat not want to "break with the West" but that "if the West should decide to throw him over (presumably a reference to Volta River Agreement)⁷³ Nkrumah undoubtedly would break with the West." Summing up, Snelling describes the outlook as "gloomy but not repeat not beyond the possibility of remedy."

588.

DEA/10203-A-3-40

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

*High Commissioner in Ghana
to Secretary of State for External Affairs*

TELEGRAM 328

Accra, September 28, 1961

CONFIDENTIAL. OPIIMMEDIATE (from London).

Reference: London Telegram 3470 September 25.

Repeat for Information: London, Washington, Permis New York from London.

⁷³ Voir/See "U.K., U.S., Bank May Withdraw Aid for Ghana," *Globe and Mail*, October 2, 1961, p. 17.

GHANA POLITICAL DEVELOPMENTS

In the light of conversations with Okoh, Secretary to Cabinet, and Sir Robert Jackson, among others, I am now satisfied that Nkrumah's action in terminating General Alexander's appointment does not repeat not in fact represent a departure from the well-established political course of this country. By the same token I am now inclined to think that Alexander's assessment of the consequences of his dismissal as given to me and the UKHC is more indicative of his own emotional distress than of unbalance on the President's part. It is entirely understandable that Alexander should be distressed under the circumstances but we must I think discount some of the more alarming conclusions which he was driven to draw.

2. According to Okoh the main factor which caused Nkrumah to take his characteristically precipitate action was pressure from his Casablanca partners, which came to a head during the last Cairo meeting on the African High Command. As you know it was agreed at that meeting that a UAR officer should be Supreme Commander. In exchange for their agreement the Ghanaians had counted on having the headquarters at Accra but found that their allies could not repeat not agree for reasons of security that the headquarters should in practice be open to British officers. This interpretation is borne out by a report this morning that *El Ahrām* of Cairo had announced that the headquarters will be at Accra.

3. It is true that some Ghanaians have been aware for some time of the Casablanca group's dissatisfaction at the position of British Officers in the Ghana Armed Forces. Although Ghanaians had resisted their pressure for some time it seems likely that the cumulative effects of what seem to them British Imperialist manoeuvres in Angola, Katanga and Northern Rhodesia were finally enough to tip the balance.

4. We cannot repeat not rule out the possibility that a military mission or missions from Soviet bloc countries will arrive here but I have so far seen no repeat no evidence that they are to be expected at present. The proposal to send Ghanaian cadets for training in USSR is being proceeded with in all haste, however. In spite of this it is Jackson's opinion that Ghana Government's actions in the military field are governed by considerations of African nationalism and not repeat not to any important extent by Communist manoeuvres.

5. I agree with Jackson and I think it most important at this time to emphasize that the weight of available evidence is clearly on the side of the view that Nkrumah is genuinely in pursuit of a non-aligned policy. There is still not repeat not in my opinion any "lurch to the left" as has apparently been spoken of by UKHC in Accra. For almost two years now there has unquestionably been a movement to the left domestically and this will continue but there is reason to doubt that this will have more than an indirect influence on Ghanaian external policies. It must be remembered however that Ghana is not repeat not non-aligned on questions of colonialism and it is by their actions on these questions that all other countries are judged by Nkrumah. Similarly he has identified Ghana and its policy with the "anti-colonial struggle" and he will inevitably see adverse reactions to his domestic measures by any country as a sign of hostility to the liberation and unification of Africa. If for example UK should find Ghanaian actions intolerably provocative and refuse the requested military mission or cancel the Queen's visit Nkrumah would take it as proof of UK malevolence in Katanga. If USA should prove reluctant to proceed with the Volta River project Nkrumah's suspicions of the West at large would seem to him so amply justified that we might expect to see the abandonment even of the cherished non-alignment.

6. Whatever we may think of the logic of this viewpoint we must recognize that it is firmly held and I think it sufficient to account for most of Nkrumah's actions. This interpretation should not repeat not of course be taken as an attempt to explain away his impressionability which has been played upon during his Soviet tour and which is still being played upon by the extremists in his entourage. That is a real problem but Nkrumah's preparedness to be

impressed stems in large part from what he has seen of Soviet support for African Nationalism. To his mind it would seem to follow that if Soviet bloc acts correctly on that issue it is at least very likely to be right on other issues also. However on September 26 he stressed to UK High Commissioner his continuing confidence in the non-aligned approach. On that occasion he showed a healthier attitude to Soviet world than many here would have expected. At the same time he complained bitterly of recent criticisms of Ghana in UK press and has written a lengthy letter to Mr. Macmillan about UK-Ghana relations ending with a proposal (planted in his mind by UK High Commissioner) that Sandys might come to Accra to talk things over. This is the familiar pattern of hasty and ill-considered action followed by some attempt to make amends.

7. It is for us to demonstrate that Western countries can also understand African ideals just as we can understand the idea of non-alignment. I see no repeat no reason to lose hope about Ghana provided we are ready to support its legitimate aspirations to the best of our ability. For Canada this means continuing with the military training programme and with our other aid programmes and it means a very careful explanation of our reasons if we are unable to provide some of the assistance we are asked for. As an example I would hope that if Dobson declines the Volta River appointment it will be for technical or professional reasons and can be shown to have been so. Given that Canada's role here is less crucial than that of the great powers our policy in Ghana and Africa has been constructive during the past increasingly perplexing months. For an aligned Western country Canada's position in Ghana is unusually good and is firmly based on concrete actions. It would be worthwhile now to think of backing up deeds with words. I urge careful consideration of the desirability of a public statement, perhaps by Prime Minister himself, giving general support to the aims of pan-Africanism and the aspirations of African peoples. If you think this suggestion worth pursuing would you like a contribution from us?

[B.M.] WILLIAMS

589.

DEA/10283-A-3-40

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

*High Commissioner in Ghana
to Secretary of State for External Affairs*

TELEGRAM 329

Accra, September 28, 1961

CONFIDENTIAL. OPIMMEDIATE (from London).

Reference: Your Tel G-280 Sep 25.

Repeat for Information: London, Washington from London, CCOS Ottawa from Ottawa.

CANADIAN ARMED FORCES TRAINING TEAM

We are very pleased with the decision contained in your reference telegram with movement of Canadian officers to Ghana for Canadian armed forces training team for the following reasons (1) General Otu has told us he wants Canadian officers to come forward as scheduled. Told that nineteen were due to arrive by December 31 he said "I need more." (2) The Secretary to the Cabinet assured me on the weekend that Nkrumah wanted Canadian officers and asked us to proceed with our plans. (3) There is an obvious requirement now all the more pressing for Canadian assistance to Ghana armed forces.

2. In our immediately preceding telegram we have gone into the political background to Dr. Nkrumah's decision to remove British officers. It seems now that his overriding desire to have

the headquarters of African High Command in Accra overcame any fears he might have had that a Ghanaian led army could not repeat not be trusted to give him loyal service. He has in a sense put his African ambitions before his personal safety.

3. UK High Commissioner has been asked by Ghanaians to request British Government to approve in principle sending a military mission to Ghana. We have been told by UK mission that they have recommended approval of this request. General Otu speculated in our conversation that British mission would be a technical military mission with emphasis on officers in engineers and works, signals, medical, service corps and the like, numbering about sixty. It was clear, however, that he did not repeat not really know how many were required but recognized that Ghana forces would need all the help they could get from UK and Canada. British military experience in Ghana has until the last few days been a happy one and the departure of British officers from infantry battalions and training centres will probably be as hard on Ghanaian soldiers as on those leaving. At the moment British officers are somewhat unhappy not repeat not at the prospect of Ghanaians in command but because of the uncertainty of their own position.

4. We understand that General Alexander's last interview with the President on the morning of September 25 was a highly emotional scene during which Alexander broke down. Nkrumah had asked him to return to Ghana to head the military mission saying that he needed Alexander's help and advice. Perhaps this example of the President's characteristic immaturity was too much to bear. It is a factor with which we will have to contend more in the future as our own involvement in Ghana develops.

[B.M.] WILLIAMS

590.

DEA/12882-G-6-40

*L'ambassadeur en République arabe unie
au secrétaire d'État aux Affaires extérieures*

*Ambassador in United Arab Republic
to Secretary of State for External Affairs*

TELEGRAM 620

Cairo, October 24, 1961

CONFIDENTIAL. DEFERRED (from London).

Repeat for Information: London, Paris, NATO Paris from London.

By Bag Moscow, Belgrade, Lagos, Beirut, Berne from London.

CANADIAN AID TO NON-ALIGNED COUNTRIES

Mr. Williams in his telegram 328 September 28 has raised the question of Canadian policy with regard to aid to members of the neutral bloc irrespective of the policies they follow. He has recommended that our aid to Ghana should continue in spite of accusations that Nkrumah is following a policy which is distasteful to the West.

2. I recognize that there is much to be said for ignoring the viciously anti-Western attitude of Ghana on almost every foreign issue, including those of no repeat no immediate interest to Ghana, and Nkrumah's increasingly obnoxious internal policy, in the hope that continued aid to Ghana will eventually result in more moderate policies. But there are also strong arguments against continued aid.

3. First, with regard to non-alignment, it seems to me that we must make a clear distinction between colonial issues and other world problems. Until most remaining colonies are liquidated the West must accept the idea that the newly independent countries are going to be

primarily anti-Western on the colonial issue. But it does not repeat not follow that they should adopt the Soviet line on other vital issues in the Soviet-Western struggle.

4. As far as Ghana is concerned Nkrumah at the Belgrade Conference was lined up with the Soviet Union on the issues of Germany, disarmament, nuclear testing and so on, about as closely as he could possibly be. Perhaps he has retreated slightly from that position since then but he did utilize the conference platform for purposes which were strictly non-aligned. Surely we can expect at least a modicum of neutrality on issues which do not repeat not affect the vital interests of non-aligned countries.

5. At any rate I would like to point to two strong considerations against continued aid to Ghana which have not repeat not been taken into consideration by Mr. Williams. The first is the effect on other reasonable, moderate and friendly African states of continued Western support for a country which has shown itself repressive in its internal affairs and pro-Soviet in its foreign policy.

6. It is difficult to get any firm information here about the attitude of Egyptians to recent developments in Ghana but there seems little doubt that UAR-Ghanaian relations are not repeat not entirely happy and that there is a good deal of suspicion about Nkrumah's ambitions, especially in Africa. When I was in the Sudan, the Sudanese took many opportunities to indicate that their relations with Ghana were not repeat not very good and in fact they were highly scornful of Nkrumah and his claim to be the leader of Free Africa. They were, in addition, rather critical of the repressive measures within Ghana itself.

7. I wonder therefore if it would be wise for the Canadian Government to give public encouragement to Nkrumah when this might well react against our reputation elsewhere in Africa. You will recall, for example, that the Sudanese Foreign Minister made it quite plain to me that he found it very difficult to understand why we should give material and political support to Ghana simply because it was in the Commonwealth, although it followed policies harmful to the West. His conclusions of course was that we ought to support our friends in Africa.

8. The other consideration is the example of Soviet aid to the UAR and Guinea. Both countries rejected Western aid and accepted massive Soviet bloc military and economic support. Our information from Guinea is slight but indicates a certain revulsion by the Guineans against the Russians. As far as the UAR is concerned there has been a drift away from the Soviet bloc in recent months which, if we act discreetly, is likely to continue. While it may not repeat not mean a turning to the West, it does mean a realization by Nasser of what Soviet aid involves, followed by a desire to remain genuinely neutral.

9. I submit therefore, that there is a good deal to be said for not repeat not giving aid to a country determined to take an anti-Western line. If they accept Soviet aid I do not repeat not think this is necessarily going to be disastrous for the West, and it may be that the experience of Soviet aid will be a salutary one for African countries.

10. The question of support for the Nkrumah brand of pan-Africanism is another matter, but again I think we should go carefully. There seem to be a good many African politicians who favour African unity but who oppose Nkrumah's recipes. I see no repeat no reason why we should appear to be taking sides with him, particularly if, as his present behaviour seems to indicate, an Africa united according to his ideas would be anti-Western and pro-Soviet in its outlook. If, as I suppose, it is important that we safeguard our position in Ghana and preserve goodwill there, the best policy for the present may be to say little about African unity, except perhaps in the most general terms, and to let the material aid we give, and our voting record in the UN speak for themselves.

[R.A.D.] FORD

591.

DEA/10283-A-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], December 5, 1961

MILITARY TRAINING ASSISTANCE AGREEMENT
WITH GHANA

You will recall that on June 1, 1961, the Cabinet approved the recommendation of the Minister of National Defence to provide on certain stipulated conditions Canadian assistance in the training of the Officer Corps and technicians of the Ghanaian Armed Forces. These conditions were agreed to by the Ghanaian authorities and embodied in a draft agreement prepared after consultations between the Department of National Defence and ourselves. Our mission in Ghana has discussed this draft agreement with the Government of Ghana and its terms have now been approved, with minor amendments, both by the Ghanaians and by ourselves. A copy of the final text is attached.

2. As you know, the members of the Canadian team moved to Ghana in September 1961, prior to the conclusion of an agreement, since it appeared that the negotiations might require a certain length of time. The proposed agreement has been made retroactive to September 1, 1961.

3. Both the Department of National Defence and ourselves are satisfied that the attached text conforms to the stipulations of June 1, 1961 and that it would properly safeguard the rights and status of the members of the team. We are informed that it was brought to the attention of the Minister of National Defence and was approved by him. We attach for your signature, if you agree, a Submission to Council recommending that the High Commissioner for Canada in Ghana be authorized to sign the attached agreement.⁷⁴

N.A. R[OBERTSON]

⁷⁴ Note marginale :/Marginal note:

Signed by SSEA 7/12. R. C[ampbell]

Le Cabinet approuvera la recommandation le 20 décembre 1961.

The recommendation was approved by Cabinet on December 20, 1961.

SUBDIVISION II/SUB-SECTION II
 PROJET DE LA RIVIÈRE VOLTA
 VOLTA RIVER PROJECT

592.

DEA/12881-7-40

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

TELEGRAM 181

Accra, June 19, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: External Aid Office.

VOLTA RIVER PROJECT

We have been informed of President Nkrumah's request to Prime Minister for assistance in recruiting Canadian to head Volta River Authority. We urge every effort be made to find suitable candidates for this position and suggest for your consideration that in view of importance of post it might be desirable if Canada were to offer supplement to salary offered should this be necessary in order to attract an individual of high enough calibre. The Ghanaians have not repeat not asked us to do so.

2. According to Sir Robert Jackson agreement on Volta project in Washington is now "virtually in bag." We have no repeat no information to contradict this.

3. You will no repeat no doubt already have considered benefits to Canada if we can select suitable person. We understand President Nkrumah has not repeat not approached any other country directly. In view of our inability to participate financially in Volta project you will agree this is good opportunity for us to demonstrate support.

4. It was emphasized to us by Sir Robert that as President is leaving in about three weeks for an extended tour of USSR it is important that we give preliminary reaction before his departure.

593.

DEA/12881-7-40

*Le premier ministre
 au premier ministre du Ghana*
*Prime Minister
 to Prime Minister of Ghana*

Ottawa, July 22, 1961

Dear Mr. President,

You will recall that in my letter of June 20th I said that I would immediately ascertain whether there was available a candidate with the requisite qualifications for the position of Chief Executive of the Volta River Authority. It gives me great pleasure to put forward for your consideration the name of Mr. Frank J. Dobson who is at present construction manager of the Lakeview Generating Station of the Hydro Electric Power Commission of Ontario, which I understand is the largest thermal generating plant in the Commonwealth.

Mr. Dobson is the outstanding construction and hydraulic engineer of the Hydro Electric Power Commission of Ontario. He has had much experience in this field and was recently Project Manager for the construction of the huge Sir Adam Beck Number 2 hydro-electric generating station at Niagara Falls.

Mr. Dobson is forty-four years old which is about the age which you suggested in your letter. Furthermore, I am sure that you will find that he possesses all the other qualifications which are necessary for this important and challenging appointment.

I understand that your High Commissioner here has been in touch with Mr. Dobson and you will no doubt have received a full report from him.

I am proud that Canada has been able to participate in this undertaking. Our cooperation in this venture will serve to strengthen and confirm the relations between our two countries.

With kindest regards,

I am,

Yours sincerely,

JOHN G. DIEFENBAKER

594.

DEA/12881-7-40

*Le premier ministre du Ghana
au premier ministre*

*Prime Minister of Ghana
to Prime Minister*

Accra, October 9, 1961

My dear Prime Minister,

I should like to take this opportunity of thanking you for your kindness in suggesting Mr. F.J. Dobson for the appointment of Chief Executive of the Volta River Authority.

I am very pleased to be able to tell you that Mr. Dobson has created a very favourable impression on me and I have therefore appointed him as Chief Executive, with effect from the 1st November, 1961.

I hope that this appointment will further strengthen the bonds between our two countries.

With kindest personal regards,

Yours very sincerely,

KWAME NKRUMAH

SECTION E

GUYANE-BRITANNIQUE
BRITISH GUIANA

SUBDIVISION I/SUB-SECTION I

VISITE DU PREMIER MINISTRE DE LA GUYANE-BRITANNIQUE
À OTTAWA, LE 18 AU 19 OCTOBRE 1961
VISIT OF PRIME MINISTER OF BRITISH GUIANA
TO OTTAWA, OCTOBER 18-19, 1961

595.

DEA/11913-40

*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 8, 1961

INVITATION TO DR. CHEDDI JAGAN TO VISIT CANADA

In my memorandum to you, dated August 30, on a possible visit to the United States by Dr. Cheddi Jagan, Premier of British Guiana, I linked the suggestion that you might wish to consider inviting him to Ottawa with a possible decision by Canada to participate in an aid programme for former British territories in the Caribbean. Since that memorandum, with which you expressed agreement, there have been developments which lead me to conclude now that an invitation to Dr. Jagan to visit Ottawa soon would be politically advisable in itself, quite apart from any aid programme for former British territories in the Caribbean.

On September 7, I and officers of the Department met with Mr. N.V. Davis, President of Aluminum Limited, and three of his advisers to discuss, at their request, the situation in British Guiana now that Dr. Jagan is once more in power there. The principal spokesman for the Aluminum Company was Mr. James Campbell, Managing Director of Alcan's wholly-owned subsidiary in British Guiana, who has had talks with Dr. Jagan since the elections. (Mr. Campbell recently participated with Dr. Jagan in a *CBC* televised programme which is to be presented on *Close-up* next Tuesday evening at 10 p.m., September 12.)

Dr. Jagan is an admirer of Premier Castro, and there have been reports that he may seek closer ties and assistance from the Communist bloc once British Guiana has achieved full independence. He is not interested in joining the Federation of the West Indies. There have been indications that Dr. Jagan is not fully committed to any bloc and might well welcome Canadian advice and assistance, perhaps in the form of an adviser on planning, with his plans for the development of his country. In the recent elections, although he won 20 of the 35 seats in the Legislative Assembly, his share of the votes was only 43%. Since the election he has spoken of adopting a policy of non-alignment and of seeking aid wherever he can find it. He has also spoken of hastening the date of British Guiana's independence. There is, I think, an opportunity for Canada to exert a moderating influence on Dr. Jagan and a visit by him to Ottawa would be a first step in that direction. The representatives of the Aluminum Company were convinced that a tangible proof of the Canadian Government's sympathetic interest in Dr. Jagan's economic planning and development problems would be welcomed by him, particularly if it were given in the near future.

I understand that Dr. Jagan is to be in Washington from October 10 to October 12 and has an engagement in New York on October 13. If you agree, I suggest it would be wise to invite him and perhaps his Minister of Finance, through the Colonial Office, to come to Ottawa for a few days at the end of his visit to the United States. The invitation might be couched in terms which would make it clear that you would welcome the opportunity of meeting a Commonwealth colleague and would be interested to hear from him about the problems of his country, without making any commitments, or holding out any prospects of possible Canadian aid to British Guiana.⁷⁵

N.A. R[OBERTSON]

596.

DEA/11913-40

*Note du commissaire aux Antilles
pour la Direction du Commonwealth*

*Memorandum from Commissioner to the West Indies
to Commonwealth Division*

CONFIDENTIAL

[Ottawa], September 8, 1961

AID FOR BRITISH GUIANA

1. At the meeting which the officers of the Aluminum Company of Canada held with the Under Secretary on the 7th of September, it was suggested that (1) it is particularly important that if Canada is going to give any aid to British Guiana, this should be done at once, and that it should take the form as far as possible of providing advisers in the field of economics and finance; (2) that Dr. Jagan, the newly elected Premier of British Guiana, who is to make an official visit to the United States from the 10th to the 12th of October, should be invited to come to Canada at that time; (3) that Canada should establish Canadian Government representation in British Guiana in order to deal direct with the Government of British Guiana, that is expected will achieve its independence in the relatively near future.

2. The proposals put forward by the Aluminum Company representatives seem to me to be sound. It is recognized that it will be difficult, in the extreme, to find a suitable person who could give guidance to British Guiana Government in the economic and financial field, and to do it in such a way as to influence that Government to adopt policies that are favourable to the West. Nevertheless, it is important in my view, that an offer of help along these lines should be made. As part of the general plan, Dr. Jagan, accompanied by his wife, should be invited to visit Canada. This would suggest to Jagan that Canada is anxious to help and that his Commonwealth association is something that is of value to him. Although Jagan is generally believed to be closely attracted to the Communistic philosophy, he is not "irretrievably lost," and if he is given help and encouragement by "the West," it is possible B.G. can be kept in the Western camp.

3. I would suggest that the most satisfactory way of carrying out these objectives would be to send an invitation to Dr. Jagan and his wife through the Colonial Office, and that I should be instructed that as soon as possible after my return to Port-of-Spain, I should go to British Guiana to reinforce the invitation and to explain to Dr. Jagan that we are anxious to learn of his problems and to help, but that, at the same time, to point out that we have not unlimited funds. If, in the meantime, the question of developing a program along the Colombo Plan lines for the

⁷⁵ Note marginale :/Marginal note:

Please submit this to the Prime Minister – it is O.K. with me. H.C. G[reen]

British Caribbean area can be resolved, it would, of course, be most appropriate to advise Dr. Jagan during his visit, of what we have in mind. (However, if we do find ourselves in the position of discussing this subject with Dr. Jagan, it is most important that we should first inform the Federal Government of The West Indies of what we are planning.)

4. As far as the question of opening a separate office in British Guiana is concerned, I believe that this would be a useful additional support to the objective of convincing Jagan that he is welcomed as a future partner in the Commonwealth and that we are generally concerned with developments in B.G. It must be remembered that so far we have only been able to help British Guiana under the Aid Program to a very minor extent, and, in some degree, Dr. Jagan and his colleagues are under the impression that we have not helped British Guiana significantly because they have failed to join the Federation of The West Indies. In view of the Canadian investment in the area, and our long trading association I think it is important that we do what we can to remove this impression by taking concrete steps along the lines indicated above. It would be wrong, however, to imagine that a representative of the Canadian Government established in the area could exercise direct influence on Jagan's policy-making; it is more probable that influence could be more effectively brought to bear by a suitable non-Government adviser or advisers attached to the British Guiana Government under the Commonwealth Aid Plan.

R.G.C. SMITH

597.

DEA/11913-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour l'adjoint spécial au Bureau du secrétaire d'État aux Affaires extérieures*
*Memorandum from Special Assistant to Secretary of State for External Affairs
to Special Assistant, Office of Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], September 12, 1961

For Mr. Campbell,

The Prime Minister said that he would not object to an invitation being extended by Mr. Green to Dr. Jagan although he had strong doubts as to the likelihood of such a visit producing beneficial results. He said that if an invitation were extended, he would be prepared to receive Dr. Jagan in his office but would not be able to undertake any other engagements such as arrival and departure ceremonies, or hospitality. I understood him to say that he would leave such engagements to Mr. Green as host.⁷⁶

H.B. R[OBINSON]

598.

DEA/11913-40

*Note de l'adjoint spécial au Bureau du secrétaire d'État aux Affaires extérieures
pour le sous-secrétaire d'État aux Affaires extérieures*
*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], September 13, 1961

Reference: Memorandum for the Minister dated September 8, 1961.

⁷⁶ Note marginale :/Marginal note:
OK to go ahead. R. C[ampbell]

INVITATION TO DR. CHEDDI JAGAN TO VISIT CANADA

Having noted the Prime Minister's reaction reflected in Mr. Robinson's note dated September 12, copy attached, the Minister decided that we should proceed with arrangements to have an invitation extended to Dr. Jagan to visit Ottawa. His decision was prompted mainly by the direct interest of the Aluminum Company in preserving good Canadian-British Guianian relations, but also by the opportunity such a visit would afford to exert a moderating influence on Dr. Jagan's policies.⁷⁷

ROSS CAMPBELL

599.

DEA/11913-40

Le commissaire aux Antilles
au sous-secrétaire d'État aux Affaires extérieures
Commissioner to the West Indies
to Under-Secretary of State for External Affairs

LETTER NO. 300
 CONFIDENTIAL

Port of Spain, October 11, 1961

VISIT OF DR. JAGAN – POSSIBLE TOPICS OF DISCUSSION

As we hope to have a bag going off tomorrow, I will give you a very brief indication of what Dr. Jagan may talk about when he is in Canada. I shall be having lunch with him tomorrow and may be able to add to this information.

2. It would appear as if Dr. Jagan is regarding his speech to the Royal Ontario Museum as being of some considerable importance. This may be because he has no knowledge as yet concerning what speeches he may be expected to make in Ottawa. According to Searwar, who seems to be Jagan's principal speech writer (evidently always subsequently vetted by Low-achee and Kelshall) the speech deals with the concern of British Guiana over the sugar preference in the face of declining Canadian exports to British Guiana. He will say that, particularly in view of the development of the European Common Market, it is in the interest of both countries to increase their trade. He will also make a plea, I understand, for help and a better interchange of cultural activities. He seems to be very much interested in the development of the theatre in British Guiana and may want to explore the possibilities of Canadian groups visiting British Guiana, particularly in the remoter areas.

3. He is also interested in the establishment of a Liberal Arts College in British Guiana, and he may want to sound us out for help on this proposal. In this connection, Searwar tells me that Jagan received a mysterious telegram from a Professor John Paul of Western University advising that he would be willing to establish a university in Georgetown free of charge. This message seems to have dropped out of the blue without any previous approach by Jagan to any Canadian university. Searwar is making necessary inquiries and he has asked that we should not raise the question of this mysterious offer with Jagan unless Jagan himself asks us about it, or to look into it for him.

4. Jagan's principal reason for going to Washington is to seek help from the United States. An aid mission has been there i.e., British Guiana, and has just returned to Washington. According to Searwar, the aid mission may not have been too impressed with Jagan's

⁷⁷ Note marginale :/Marginal note:
 Noted. [Norman] R[obertson]

intentions and may not be too sympathetic towards giving help. There is no doubt whatsoever that Jagan will want to question us about what we are likely to do in the way of aid to British Guiana. In my letter No. 124 of October 4 to External Aid Office with a copy to you,† I indicated some of the ways in which I thought we might usefully help British Guiana. In particular I referred to the possible establishment of an economic planning unit and the almost certain need for outside help to have this set up. It would seem to me that if we could offer to help out in the setting up of this economic planning unit, this would be most desirable from every point of view.

5. I understand also that Hubbard is very much interested in the establishment of a Biological Institute for savannah research, which Searwar tells me McGill University is setting up. This is the first I have heard of this proposal, but it may be that Jagan or Hubbard will mention this to you. Hubbard is also evidently discussing the possibility of developing hydro power in British Guiana with some company in Ontario that is said to be offering to help in the financing of it.

R.G.C. SMITH

600.

DEA/11913-40

Le commissaire aux Antilles
au sous-secrétaire d'État aux Affaires extérieures
Commissioner to the West Indies
to Under-Secretary of State for External Affairs

LETTER NO. 301
 CONFIDENTIAL

Port of Spain, October 11, 1961

DR. JAGAN

We have already sent you through the mail some factual details dealing with Dr. Jagan's career. This will attempt to give you a more personal insight into Dr. Jagan and to discuss some of the forces that are shaping his actions at the present time.

2. Dr. Jagan is a most likeable and charming person to meet and he may be expected to put British Guiana's case for aid and to describe his plans in a most persuasive and disarming manner. Nevertheless he is quite capable of saying one thing during an official or informal discussion and to then harangue the ignorant mob in a most unedifying and truculent manner, giving as an excuse that politically he is bound to act in such a way, "... but, of course, he really does not believe in all that he says." This refusal or pretended refusal to link cause with effect is a reflection of his weakness (although regrettably an all too common West Indian habit) and his inability to take very much positive action. He would like to pose to his public as a revolutionary, but he probably lacks the ability and possibly the courage to act as a full revolutionary "à la Castro."

3. He is, in fact, a dreamer rather than a "doer." He has shown no talent for administration and not much for positive planning during his previous term of office, and his truculence and failure to produce sensible economic planning has almost certainly prejudiced his chances of securing greater aid from abroad. He has shown no ability to attract good men around him and his former colleagues in his "Cabinet" have been undistinguished "yes men" with no executive or administrative ability. His wife was undoubtedly the best "Minister" he had, and is generally thought to have been the driving force behind the political organization of his party.

4. Jagan's enemies accuse both him and his wife of being communists. He may have been a member of the party at one time and his wife more probably was and may be still. He has called Castro one of the greatest liberators of all times. Nevertheless, he has never admitted to

being a Communist and if he can obtain support, financial and advisory, from the West, he may well be prevented from lining up with the Communist bloc after he achieves full independence. The fact is he has little understanding of economics, but he is easily led by Marxist slogans and bulletins which appear to be plausible and beneficial to a backward and undeveloped country that has been almost exclusively controlled in the past by "big business." Jagan's answer to those who accuse him of being a Communist is that he is not, but that he is a dedicated believer in Socialism as a means of improving the lot of the common man. "I am a Marxist Socialist ... Eventually I want British Guiana to assume a neutralist role – like that of Ghana and India," he is reported to have said recently in London. His wife is also claimed to have said that "Cheddi will never be satisfied until the British are driven out of the colony. He has no use for half-measures such as joining the West Indies Federation. He wants British Guiana to be free."

5. Perhaps Jagan's principal *bête noire* is Booker's Bros., the British company that controls the majority of the sugar production in British Guiana and many other enterprises in the country. While in the past it undoubtedly operated in a high-handed and unsympathetic manner in keeping with the norms of the time, it has been following a most paternal and socially responsible course in recent years. Sugar production in British Guiana is a highly technical, difficult and expensive operation requiring central control, large capital investment, and research. (It is subject to floods and drought, must be protected from the sea by an elaborate system of dikes, and nourished by irrigation and drainage works.) Booker's research has increased yields enormously. Despite their technical successes and their recent good efforts in the labour relations field, and because of Jagan's early memories, the inequities of the past cannot be entirely forgiven by the activities of the present. Nevertheless, Jagan seems to have been impressed by Booker's efforts on behalf of British Guiana generally, and at the moment his relations with them appear to be as good as they have ever been.

6. Jagan's relations with Demerara Bauxite, a subsidiary of the Aluminum Company of Canada, have been reasonably good. Undoubtedly credit for this is due to the excellent public relations policies adopted by this Canadian company. It is still big business, however, and is therefore subject to attack from some of Jagan's less responsible supporters.

7. Since Jagan's election to the Premiership of a government that has almost complete control of its internal affairs, he has been a model of restraint and responsible head of government. His new Cabinet seems to be a considerable improvement over the last, although the absence of Mrs. Jagan seems to be a loss from the purely administrative point of view. (It may be that Mrs. Jagan, who is still the Secretary of the party, is being kept to organize and run the party daily paper which is about to be launched with its own printing presses.)

8. Jagan's choice of Dr. Jacob as Minister of Finance is unfortunate as he has neither the training nor ability to handle that seemingly key position. He is also said to be an extreme left-wing socialist. However, it is suggested that with Jagan in charge of Development and Planning, the Minister of Finance is simply an administrative minister. The new Minister of Trade and Industry, Senator (nominated, not elected) Henry Jocelyn Hubbard, on the other hand, is a conservative, orthodox business man. He is close to Jagan, having helped him to re-enter politics after the constitution was suspended in 1953. Unfortunately, his immediate entourage consists of Jack Kelshall, a Trinidadian solicitor who has "advance" socialist ideas and may be a Communist, and C.C. Low-a-chee, his Permanent Secretary. Low-a-chee has been with Jagan for some time and is suspected of being a Communist. Of the two, Kelshall is probably more extreme and outspoken. He appears to be very close to Jagan and to exercise great influence over him. The influence of these two is serious and will tend to drive Jagan back to his "1953 personality" and away from the more moderate approach he has been developing recently.

R.G.C. SMITH

601.

DEA/11913-40

*Le commissaire aux Antilles
au secrétaire d'État aux Affaires extérieures
Commissioner to the West Indies
to Secretary of State for External Affairs*

TELEGRAM 99

Port of Spain, October 12, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: My Let 300 Oct 11.

VISIT OF DR. JAGAN

From conversation with Dr. Jagan and party at lunch clear he will principally talk aid in Ottawa. Have warned him that we are not repeat not able to offer much owing to budget position and allocation being nearly exhausted. I hope he understands our limited abilities to help now. Believe he will want to explore (i) question of sugar preferences (ii) aid to hydro electric development and rural electrification with Therman plants (iii) help in survey on timber exploitation (iv) medium term credit for agriculture equipment generally. Hubbard is in touch with (Canadian?) construction company regarding quota for (group corrupt) development including financing.

2. Believe Jagan will want to discuss feasibility of low interest rate loan, his panacea for all ills. Has twenty million dollar West Indies grant (group corrupt) spread over five years beginning 1960 and a treasury loan at forty million dollars for same period which he sarcastically criticizes for seven percent rate. However am sure he would welcome technical assistance for proposed economic plan unit.

3. Searwar asked if objection to Saskatchewan visit was official Canadian Government or British Government view. I said I knew nothing of any objections.

602.

DEA/11913-40

Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
Memorandum by Special Assistant to Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], October 20, 1961

PRIME MINISTER'S CONVERSATION WITH
DR. CHEDDI JAGAN – OCTOBER 19, 1961

The record of this conversation is being drafted by Mr. Duder, the Head of Commonwealth Division. The conversation lasted for approximately 50 minutes, considerably longer than scheduled. The atmosphere was cool at first and never became warm although the dialogue was somewhat more fluent towards the end. Dr. Jagan was accompanied by Senator Hubbard who obviously enjoyed his confidence.

The first ten minutes were taken up with a brief exposé by Dr. Jagan of the basic causes for the economic and social difficulties facing British Guiana (geography, population, etc.). I thought that Dr. Jagan was in this way laying a foundation for the possible discussion of Canadian aid but, before he was able to develop the theme, the Prime Minister broke in to enquire about his attitude towards the Commonwealth. Jagan said at once that he wanted to stay in the Commonwealth although he was not sure how the United Kingdom's position in the Commonwealth would be affected by developments with respect to the Common Market. The Prime Minister questioned him quite closely but Jagan said again that he would prefer to stay in. The Prime Minister then said that, now that it had been established in the case of South Africa that membership in the Commonwealth was not automatic, the prospect of a Communist state entering the Commonwealth was extremely remote. Although the Prime Minister said to Jagan that he was not of course referring to British Guiana, Jagan clearly got the message and spent a good deal of the remaining time in attempting to refute stories of his alleged Communist beliefs. He said among other things that he believed it should be possible, and he intended to try, to separate the political from the economic organization of the country. He wanted to continue the Parliamentary system on democratic lines. At the same time, he felt that a country with British Guiana's problems and needs could only progress on a basis of state planning. For ten or fifteen years he had spoken of the need for planning, a word which was taken ten years ago as being synonymous with Communism. The Prime Minister assured Jagan that he understood the need for planning – after all, he had come into office on the promise of planning the future of Northern Canada. It was not this which concerned Mr. Diefenbaker. He implied that British Guiana might adopt a Castro model and this stung Jagan into asking the Prime Minister for an explanation of the "rules" so that British Guiana might understand how it should "behave" in order to live harmoniously with the United States and Canada. He noted that Ghana – he said he did not agree with what Mr. Nkrumah was doing – and Pakistan – where there was also a dictatorship – were both within the Commonwealth. Moreover, the United States has had friendly relations with some of the worst Latin American dictators. Jagan clearly was intending to go on and ask what it was about Castro's system which made him so unacceptable when other dictators were within the group to which the United States and Canada belonged. The Prime Minister volunteered the answer when he said that there was no country in the Western hemisphere which was more of a puppet of the Soviet Union than Cuba.

The conversation ended inconclusively with Senator Hubbard intervening to assure the Prime Minister that the British Guiana Government was determined to respect the place of the opposition in the political system.

Later in the day, the Prime Minister told me that, while he was impressed by Jagan's personality, he thought from his reactions, especially in relation to Cuba, that Jagan was a Communist. I said that, however that might be, Jagan was obviously a man with whom we would have to deal in the future and that a sympathetic attitude now and an attempt to give aid within our capacity might do something to help prevent Jagan from drifting into the Soviet orbit. This was a time of transition for Jagan and the attitude of Governments such as the Canadian Government might have a considerable influence on Jagan's policies in the future. The Prime Minister did not seem persuaded by this remarks.

I should add that the Prime Minister at no time gave Jagan the slightest reason for expecting that the Government would give any special consideration to his request for aid. His remark at the end of the conversation to Jagan was: "I hope your experiment succeeds."

I do not know what impression Jagan carried away from this conversation but I think, from seeing his reactions to some of the Prime Minister's remarks, that he was probably puzzled and disappointed. One thing is certain, however; he was left in no doubt that Canada would oppose membership in the Commonwealth for British Guiana if British Guiana seemed to the Canadian Government to be adopting Communist policies (however they might be defined). After the conversation the Prime Minister told me that he had deliberately taken this line with Jagan so that there would be no misunderstanding in future.

H.B. R[OBINSON]

603.

DEA/11913-40

*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 K-244

Ottawa, October 20, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Ur Tel 3146 October 11.†

Repeat for Information: Candel New York, London, Port of Spain.

VISIT OF DR. JAGAN

Dr. Jagan saw his visit to Ottawa as an attempt to win Canadian goodwill for his country, to make friends in another Commonwealth country, to explain British Guiana's economic and political problems, to demonstrate British Guiana's position as a bridge between North and South America and to ask for Canadian help in solving the problems of his under-developed area. In our view his visit may be regarded as having served a useful purpose. His engaging personality generally made a favourable impression on Canadian ministers and senior officials with whom he had long and serious discussions. He left with a good picture of Canada-British Guianese trade and aid problems and political aspects of British Guiana. He received constant radio and TV coverage during his visit.

2. Jagan repeatedly stressed that he was a socialist devoted to parliamentary democracy, economic planning and pragmatism. He intends to strive urgently for full political and economic independence *within* the Commonwealth, although on this last point he expressed some concern about the possibly detrimental effects on British Guiana's economy of Britain's entry into the European Common Market.

3. Jagan and his government are obviously men in a hurry. They want a great deal of money quickly (mention was made of even as much as 350 or 400 million dollars over a ten-year

period) for the rapid industrialization of British Guiana and they would like to get it by long-term, low-interest loans with, if possible, a moratorium on repayment of something like 8-10 years and with no political or economic strings attached. British Guiana has a grave and growing unemployment problem (which Jagan, speaking to the press on his arrival, blamed on colonialism), great land hunger and pressing needs for electrification, highways, a more mixed economy (sugar and bauxite now account for 80% of their economy) and – to quote Dr. Jagan – the “busting open” of the hinterland. Jagan and his group would have liked a promise of a large Canadian loan at once and it was not easy to bring their sights down to the realities of our situation in the aid field. Jagan made it pretty clear on several occasions that he was not immune to the attractions of Soviet loans which bear a low interest rate and are, in his view, mainly given for rapid industrialization so that the results can be quickly seen and felt by a country’s people. He clearly felt that he would have to bring some prize home soon. It should be added, however, that on no occasion did he resort to crude threats or demagogic oratory. Canadian ministers had several opportunities to express their opinions about the dangers which would be involved for British Guiana if that country became too dependent on Soviet help.

4. Canadian reaction to Dr. Jagan’s presentation has been sympathetic and we believe that Jagan has appreciated this. We have, however, been somewhat nonplussed by the size and urgency of his requests and the difficulty of getting a clear picture of his financial figuring. We have promised to see what can be done but we have left Dr. Jagan with no grounds for false optimism.

5. Washington may be interested to know that no particularly unkind remarks were made about the USA at any point. One member of the party was somewhat critical of USA aid offers on the ground that they tended to be confined to social welfare projects and did not include projects which would increase productivity.

SUBDIVISION II/SUB-SECTION II
AIDE À LA GUYANE-BRITANNIQUE
AID TO BRITISH GUIANA

604.

DEA/12882-B-44-40

*Note du sous-secrétaire d’État adjoint des Affaires extérieures
pour le directeur général du Bureau de l’aide extérieure*

*Memorandum from Assistant Under-Secretary of State for External Affairs
to Director-General, External Aid Office*

CONFIDENTIAL

[Ottawa], November 24, 1961

AID SURVEY MISSION TO BRITISH GUIANA

Mr. Armstrong of the U.S.A. Embassy telephoned me this morning concerning a delayed message received at the Embassy about a proposal for a multilateral aid mission to British Guiana. Apparently the U.S.A. administration is sending Mr. Robert Nathan (an economic consultant who has had a considerable reputation as a New Deal economist) to Georgetown this weekend in order to discuss the proposal with Dr. Jagan before the latter’s departure for London and Tanganyika in the next few days. The idea which Nathan is expected to try out on Dr. Jagan would involve an early visit from an expert aid mission consisting of representatives from the Economic Commission for Latin-America, the Inter-American Development Bank, the International Bank, Puerto Rico, the United Kingdom, and Canada. Surprisingly, Armstrong made no mention of the Caribbean Commission as a possible member. This mission

would be under the chairmanship of a U.S.A. representative with broad experience in the problems of economic development. (Mr. Armstrong was not sure whether the chairman would be Nathan or someone else.)

2. The purpose of Mr. Armstrong's call was to find out urgently (preferably before the end of today) whether Canada would be prepared to take part in the work of such a technical mission. According to Mr. Armstrong, it would be made clear that participation did not involve any commitment regarding future assistance.

3. I told Mr. Armstrong immediately that there was no chance of getting a definite response from us today, or even during the first few days of next week, since the proposal had implications which we would have to consider carefully and would have to put to Ministers (several of whom would not be available during the next few days).

4. I saw no reason why the Embassy could not on its own responsibility suggest to Washington that the possibility of inviting Canada to join such a mission could be examined by Nathan in his talks with the authorities in British Guiana if that seemed desirable. It could not, however, be assumed that Canada would necessarily be able to take part if an invitation were to be issued.

5. In accordance with our telephone conversation it is my understanding that you will be consulting the members of the Aid Board to whom I am sending copies of this brief note.

6. My own feeling is that we should get in touch very soon with the authorities in British Guiana about our future aid prospects, but I am doubtful that we should necessarily do this under U.S.A. auspices. We should certainly consult closely with the U.S.A., but I am not certain that we should tie ourselves in to an aid mission under U.S.A. chairmanship. Some of the other prospective participants (such as ECLA) may have a similar difficulty with the proposal.

7. I should think that after you have checked with the members of the Aid Board, we might attempt to put an agreed view to Ministers together with our own proposals for aiding British Guiana over the next year or so. In that connection we might revive the suggestion for a "Colombo Plan" arrangement (including Asian and African representatives) as a substitute for, or supplement to, the U.S.A. idea of an aid mission. If we do not put some suggestions in play fairly soon, I am afraid that we may be confronted with some pretty half-baked American "organizational" proposals that may offend the British Guianese and might make it more difficult for us even to carry out our own aid programme if we appear to have been identified with the U.S.A. in any misconceived exercise.⁷⁸

A.E. R[ITCHIE]

⁷⁸ Note marginale :/Marginal note:

Mr. Ritchie: I very much prefer our thought about a C[olombo] Plan operation. I thoroughly agree with your para. 7. Should we inform Guy Smith of this approach? Or wait for developments?
2. Could we have a word with Prebisch on this? [Auteur inconnu/Author unknown]

605.

DEA/12882-B-44-40

*Note du directeur général du Bureau de l'aide extérieure
pour le sous-secrétaire d'État adjoint des Affaires extérieures*

*Memorandum from Director-General, External Aid Office,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

Ottawa, November 28, 1961

Your memorandum of November 24 on the proposed Aid Survey Mission to British Guiana reached me only last evening. In our telephone conversation of last Friday I made the following points:

(a) I agree entirely with the statement you made to Mr. Armstrong.

(b) While some of the reasons which influenced our decision to participate in the Aid Mission to the West Indies are also valid in the case of an Aid Mission to British Guiana, they are perhaps less compelling because of the very modest scale of our present assistance to British Guiana, and it would be awkward if we played a part in a mission such as proposed by the United States and then found ourselves unable to increase the Canadian participation beyond the present amount of \$50,000.

(c) Before any memorandum goes forward to a Minister or Ministers this whole question should be considered by the External Aid Board and we should in particular obtain the reactions of Mr. Plumptre, since the most important consideration from the Canadian standpoint will be the resulting pressure for increased financial assistance from Canada.

(d) Any memorandum to Cabinet would have to describe the use which has been made of the current \$50,000 appropriation for British Guiana, and almost none of this money has yet been spent. When Dr. Jagan and his party were here they promised that immediately upon their return they would submit proposals for the effective use of these available funds. No word has since been received from them, and I propose writing to the Secretary of the Cabinet who accompanied Dr. Jagan, to remind him of the undertaking given at the time of his visit. While it is frequently easier to find effective uses for a million or more dollars than for a small amount like \$50,000 (for example, none of the projects mentioned by Dr. Jagan could possibly be undertaken with only \$50,000 at our disposal), the fact remains that some members of Cabinet might question a suggestion for an increased Canadian aid effort when money already available has not been spent.

I am not sure that I entirely share the view expressed in the final sentence of your memorandum. So long as we are not actively associated with the American plan any deficiencies in it could hardly reflect on Canada. In fact, if it should prove to be "half baked" or offensive, it might well make any Canadian plan much more acceptable in the eyes of British Guiana. However, I do agree entirely that we should put forward as early as we can possible forms of Canadian assistance in varying amounts. To the extent that time has permitted we have been examining this question, and some alternatives have emerged from our study of the problem. Mr. McGill of this Office will draft a general memorandum which can be circulated to Board members for consideration, after which a meeting might be held to consider it. Since I will be absent from Ottawa next Monday and Tuesday, December 4 and 5, the earliest I could participate in a meeting would be late on December 6, or some time on December 7. I would therefore propose a meeting of the Board at 4 P.M. on December 6, or either 10.30 A.M. or 3 P.M. on December 7. On the other hand, if earlier consideration of the matter is considered desirable, a meeting could, of course, be held in my absence.

Concerning your footnote on page 1 of your memorandum, I think that the Caribbean Commission has been omitted because, as I understand it, the Commission is only a

consultative body and might not be in a position to make any positive contribution. I remember Dr. Jagan describing it as a “forum of discussion” and saying that even if it developed a plan for foreign aid to the Caribbean area, any detailed arrangements within such a plan would still be carried out on a bilateral basis.

As you know, the Americans are aware that some thought has been given in Canadian circles to a Colombo Plan type of operation for the Caribbean, and I am wondering whether their sudden burst of activity may have been prompted by a desire to seize the initiative in any such multilateral programme of aid, or whether the proposal stems from a genuine concern about Dr. Jagan’s intentions.

H.O. MORAN

606.

DEA/12882-B-44-40

*Note de l’adjoint spécial du Bureau du secrétaire d’État aux Affaires extérieures
pour le Bureau de l’aide extérieure*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to External Aid Office*

CONFIDENTIAL

[Ottawa], February 8, 1962

Reference: Memorandum to Cabinet dated February 5, 1962.†

AID TO BRITISH GUIANA AND BRITISH HONDURAS

The Cabinet today considered and approved the recommendations contained in the memorandum under reference, as follows:

(1) to allocate the sum of \$85,000 for the provision of the described equipment required by British Honduras and British Guiana,

(2) to pay the shipping costs to the extent that such costs cannot be financed by these territories.

2. In communicating this decision, Mr. Bryce said that Ministers had attached particular significance to the words “to the extent that such costs cannot be financed by these territories.” It was their view that this provision should be strictly applied as they are not anxious to have aid monies allocated to shipping costs.

ROSS CAMPBELL

4^e PARTIE/PART 4PROGRAMME D'AIDE AUX PAYS AFRICAINS
MEMBRES DU COMMONWEALTH
COMMONWEALTH AFRICAN ASSISTANCE PROGRAMME

607.

DEA/12882-2-40

*Note du chef de la 1^{ère} Direction économique
pour le sous-secrétaire d'État adjoint des Affaires extérieures*

*Memorandum from Head, Economic (1) Division,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], February 14, 1961

SCAAP

Officials from the Departments of External Affairs, Finance, Trade & Commerce, the Bank of Canada and the External Aid Office met in Mr. Martin's office again last week to discuss the general approach that might be adopted under the Special Commonwealth African Aid Programme. The External Aid Office had prepared two excellent papers (attached).

2. The first paper on general principles was intended to guide our Missions in informing prospective recipient governments of the general principles which apply to all Canadian aid programmes. The purpose was to have these countries understand the terms under which Canadian aid is granted so that misunderstandings might not arise in the future.

3. The second paper outlines the general approach the External Aid Office would like to follow in planning the African Aid Programme and especially its technical assistance aspects. I think you will be interested in glancing over the conclusions and summary (from page 10 to the end).

4. The External Aid Office are going to incorporate some suggestions put forward at the meeting but these will not affect the general approach which is to blur the distinction between capital and technical assistance which has been a feature of our Colombo Plan programme.

5. Mr. Sharpe and the other departmental representatives at the meeting were impressed at the progress which the External Aid Office is making in planning for this programme. The intention is to refer these papers to Accra and Lagos for comment and then to prepare appropriate submissions to the External Aid Board (and Cabinet where necessary) so as to obtain policy guidance.

O.G. STONER

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note**Memorandum*

AID TO AFRICA – GENERAL PRINCIPLES

There are a certain number of general principles which apply to all Canadian aid programmes, but it is important that these principles should be clearly understood by the countries to which we are giving aid; otherwise serious misunderstandings might arise in the future. The purpose of this paper is to outline these principles and to explain them briefly.

1. Canada does not finance projects unless they have a high Canadian content, and preference is given to projects with no foreign content.

This policy is essential if public support of our aid programmes is to be maintained. Even minor purchases abroad have been the objects of complaint to Ministers. This policy means that there are a number of projects which we cannot undertake. Mention should also be made of the fact that certain projects are not undertaken because the prices of the Canadian produced goods are considerably higher than world market prices. (A study of Canadian availabilities in both the fields of technical and capital assistance are currently being carried out and will be made available to all missions.)

2. Canada does not pay ocean freight and inland freight charges outside Canada.

This principle follows from the first one since Canada does not own a merchant fleet. Another consideration is that if a country is prepared to pay the freight charges, it gives an indication that it considers the project to be sufficiently important to invest some of its resources in it. Finally, it is considered that the payment of freight charges would not constitute the best use of funds in terms of the objectives of Canadian aid programmes.

3. Canada does not pay for the local costs of projects (except where counterpart funds are available).

This principle also follows from the first one. Furthermore, the purpose of Canadian aid is to provide either goods or services which would not otherwise be available to the countries to which assistance is given. The payment of local costs by the receiving governments is also a good indication that they attach importance to the project being financed.

4. Canada requires counterpart funds to be established when its aid takes the form of commodities.

Commodity aid is unlikely to be provided in the foreseeable future. However, a general paper on counterpart funds is being prepared and will be circulated to all Missions.

5. Goods provided by Canada are exempt from customs duties and other taxes imposed by the countries receiving aid.

The payment by Canada of customs duties and other taxes on goods which it is providing on a grant basis is obviously undesirable.

6. Major projects are subject to separate inter-governmental agreements between Canada and the countries in which the projects are located.

A master copy of the agreement will be circulated to all missions.

7. To be considered, each project must be the object of an official request by the country receiving assistance.

Canadian aid is given on a government-to-government basis. Requests for assistance received from provincial governments, from departments of government which have not been authorized to act officially in these matters, or from private organizations cannot therefore be considered unless they are transmitted and approved officially by the central government, i.e., the only one with which Canada maintains formal relations.

8. Requests for assistance should be, insofar as possible, submitted annually through one agency designated for this purpose.

This procedure is essential in order to insure the smooth operation of the programme. Otherwise Canada may be faced with several requests of which it can only finance a few. Only the government of the country receiving assistance can say which requests should be considered and which should be discarded.

9. *Arrangements with regard to experts are the object of separate agreements between Canada and the receiving countries.*

10. *Arrangements with regard to training programmes are governed by regulations approved by Treasury Board*

These regulations will be circulated in due course to all Missions.⁷⁹

[PIÈCE JOINTE 2/ENCLOSURE 2]

Note

Memorandum

AID TO AFRICA – GENERAL APPROACH

The Memorandum to Cabinet on aid to Africa† deals with the types of assistance to be provided in the following terms:

“This amount (\$3.5 million) would make it possible to do useful things in Africa over the next few years: for example, to continue to expand ordinary technical assistance, to supply a certain amount of equipment for Canadian technical assistance experts working in Africa, to assist in the establishment of small training institutions in the area, to contribute to the improvement of transport and communication facilities, and perhaps to conduct certain surveys of resources and to participate in or undertake ... sound capital projects ... Canada would continue to send individual teachers to Commonwealth countries in Africa ...”

Technical Assistance

Technical assistance should combine the exchange of persons with economic development or, more precisely, the development of knowledge and skills. Canadian practice seems to place the main emphasis on only one of these two aspects of technical assistance – the exchange of persons. An analysis of Canadian programmes does not reveal any immediately discernible rationale in terms of economic development. It seems to consist of sending a certain number of individuals abroad and bringing a certain other number to Canada, not of making a systematic and sustained attack on specific and well-defined problems.

This emphasis on the exchange of persons arises from the rather rigid separation of technical assistance from other forms of assistance. The administration of Canadian aid programmes has been organized on the basis of this separation. As a consequence, the technical and capital assistance programmes do not complement each other as often and as well as they might. Certain types of projects are difficult to undertake because the planning and administrative procedures are not set up to handle them. The isolation of technical assistance from other types of assistance has encouraged the tendency to think that the essential task is to find training places in Canada and to find Canadians willing to serve abroad. The purpose behind the movement of the people concerned is treated at best as a secondary consideration.

It is important, therefore, that a much broader concept of technical assistance should be adopted in the case of the enlarged programme of aid for Africa. Much of the remainder of this

⁷⁹ Note marginale :/Marginal note:

Feasibility? From both countries' point of view?

Priorities?

Projects essential to economic development?

Whether projects submitted to other countries?

Whether would be multilateral projects? [Auteur inconnu/Author unknown]

paper is an attempt to define such a concept. The later sections deal briefly with surveys of resources and capital assistance.

Trainee Programmes

Trainee programmes are those parts of our technical assistance programmes which consist of bringing to Canada persons (a) to study in universities and other educational institutions and (b) to undergo agreed, often short-term, courses of training in such areas as administration, industry, agriculture, power and transportation. The first type of training might be referred to as educational assistance (trainees) and the second as technical training (trainees).

Educational Assistance (Trainees)

Requests for scholarships and fellowships to attend Canadian universities and other educational institutions should be related to and justified in terms of the manpower needs and development programmes of the countries making the requests. Thus, Ghana, having made a survey of its manpower needs, may decide to train so many engineers over the next decade. As part of this training programme, it may (1) expand its own training facilities; (2) bring in teachers from abroad; and (3) send some Ghanaians abroad to study. As a contribution towards the fulfillment of this programme, Ghana may ask Canada to provide 15 training places. It could also ask Canada to send some teachers and to provide some equipment for the new faculty buildings. Indeed, Canada might even take the initiative in suggesting that it do so. The same general approach should be taken to other forms of the educational assistance (trainees) programme, e.g., teachers.

The two essential features of this approach which should be kept in mind are that assistance should normally be given only if the requests (1) are directly related to specifically defined manpower needs and (2) the requesting countries have training programmes designed to meet that need and are carrying that programme forward; in other words, aid should be only part, and can be only a minor part, of the main effort. Requests, prepared in these terms, would be submitted to us along with the balance of the programme on or before November 30th of each year.

A possible objection to this approach is that the countries concerned do not know their manpower requirements well enough to define their needs so precisely. However, the bulk of Canadian assistance in Africa will be given to Ghana, Nigeria and Sierra Leone. In Ghana, the Ford Foundation has completed a manpower survey and it could prove of some use to us in formulating a programme. Furthermore, Ghana probably has (and our High Commissioner could confirm or deny this) some specific manpower training programmes which we could complement and to which we could tie our educational assistance (trainees) programmes. In Nigeria, a manpower survey might have been carried out. If one has not been carried out possibly one of the first things which we could do under our programme would be to make a survey. In any event, we could tie our aid to any specific, even though limited, manpower development programmes presently in operation and rely on surveys covering only part of the manpower requirements, e.g., the Ashby Report. The Ashby Report, incidentally, states that Nigeria needs 1000 teachers per year for the next few years. Under the approach suggested in this paper, Canada would not simply provide, say 50 teachers a year towards meeting this target. We would try to locate our teachers in a few institutions, equip these institutions and bring Nigerians to Canada for teacher training. We will have some \$0.5 million to spend in other areas in Africa. It is doubtful whether we could apply exactly the same procedure to these areas as to Ghana, Nigeria and Sierra Leone.

The approach suggested above offers several advantages. Any training programme which we undertook would be part of a larger programme to which the requesting country would be making a substantial contribution. This in itself would give some assurance that the

programmes to which we were contributing were treated seriously by the requesting countries. The approach would also allow us to concentrate on relatively few carefully chosen projects. Requests for educational assistance (trainees) would be submitted in blocs, e.g., 15 in teaching, 10 in engineering, 5 in medicine, and would be complemented by other parts of our programmes. The effectiveness of our aid would thus tend to be maximized and its Canadian identity more fully retained. Some continuity, which is not a strong feature of our present procedures, would be given to the programme. An incidental but important advantage of this approach is that it would tend to reduce the overall administrative burden.

Under-Graduate students should not, as a rule, be encouraged to come to Canada under our technical assistance programme. One of the most important steps which less-developed countries can take towards the development of their educational systems is the establishment and expansion of undergraduate facilities. Graduate schools can come at a much later date. However, the shortage of undergraduate facilities may make the rigid application of this principle undesirable. Exceptions should be made only for strictly limited and defined purposes and only in conjunction with efforts of the requesting countries to establish the required local facilities. The establishment of these facilities even under the best of circumstances may take time.

Technical Training (Trainees)

The same general approach should govern the technical training (trainees) programme. In other words, the programmes should be related to specific and well-defined manpower needs and to specific and well planned efforts on the part of the requesting government to meet those needs.

Broadly speaking, it is possible to distinguish two categories of persons who would come to Canada for technical training. The first category would consist of people who were needed to meet a fairly precise and known need. Thus, for instance, a country may be erecting a new plant which, when completed, will require certain types of skills to operate it. The second category would consist of people who have had considerable experience in the fields in which training is requested. The purpose of their visit to Canada would be to broaden their general knowledge and understanding of the problems with which they are dealing, and of the methods of handling them. Their visits to Canada would take more the form of an observation tour than of a training course.

Generally speaking, a higher priority should be given to the first category or type of programme than to the second. Persons coming to Canada essentially for observation purposes would already be fairly highly qualified in their fields and their visit to Canada might add only marginally to their qualifications. Furthermore, it might be more difficult to relate the programmes proposed for them to specific needs and development efforts. The emphasis would tend to be more on the exchange of persons aspect of our programmes. These disadvantages do not arise to the same extent in the case of trainees falling under the first type of programme.

As in the case of educational assistance (trainees) programmes, requests should be submitted by a given date. (The suggested date of November 30th would apply to the programme as a whole.) However, unlike educational assistance (trainees) programmes, the implementation of technical training (trainees) programmes would have to be staggered over the year as places in industry and government became available. Technical training in Canada, as in the case of educational assistance given in Canada, should, whenever appropriate, be coupled with the provision of experts and of equipment.

Educational Assistance (Experts)

That part of our technical assistance programme which consists of sending experts abroad may also be divided into educational assistance and technical training. The general approach suggested above should also apply to these programmes.

Educational assistance (experts) will probably consist of sending teachers abroad and sending experts abroad to advise on general or specific educational problems. Within this framework adequate priority should be given (1) to sending teacher trainers abroad and (2) to concentrating these teacher trainers in a few institutions.

Technical Training (Experts)

Technical training (experts) should, as in the case of other forms of technical assistance, aim at the solution of a few carefully selected problems rather than aim broadly at the whole range of economic development problems.

Experts in the technical training field can be generally divided into those who act as advisers and those who act in operational capacities. Both types have their place but requests for advisers probably need to be treated more carefully. The risks taken in sending advisers abroad are (1) that their advice will not be followed and (2) their advice may lead to exaggerated hopes for more Canadian assistance. In considering requests for advisers, it is suggested therefore that they should be provided only (1) if there is a reasonable chance that the advice of the expert will be taken, e.g. a decision has been taken to set up a Central Bank and advice is needed on how to proceed, and (2) in fields where, given the size of our programme and our industrial capabilities, we would be able to provide additional assistance should this be recommended by the expert.

In the case of experts acting in operational capacities, priority should probably be given to; (1) experts said by other Canadian experts in the field to be needed; (2) experts who will train a large number of people; and (3) teams of experts who will tackle several facets of the same problem or who will tackle it over a wide geographical area. As an example of (1), one might mention the fisheries expert who recommends sending an expert in co-operatives, an expert in marketing, an expert in fish preservation, etc.; as an example of (2), an expert needed at an agricultural maintenance shop used for demonstration purposes; and as an example of (3), several experts to set up and teach at several such shops.

Equipment

As mentioned at the beginning of this paper, it has been the Canadian practice to treat most equipment as capital assistance. This is not a very satisfactory way to proceed and is often difficult to justify in terms of the end-use of the equipment provided. Thus, equipment provided for an agricultural machinery maintenance shop at which a Canadian is to be stationed partakes more of technical than of capital assistance; but if similar equipment were provided for 10 or 15 such shops, it may be more in the nature of capital assistance. Similarly, the provision of one aircraft for crop spraying might be considered as technical assistance if it is to be used for experimental purposes, but as capital assistance if it is to be added to an existing fleet of aircraft. It is therefore suggested that the distinction between capital and technical assistance should, for the purposes of the African programme, if not disappear, at least be blurred and that the concept of technical assistance itself be enlarged to include substantial quantities of equipment.

Equipment might be required by an expert or by a team of experts. It might consist of as little as a blackboard or as much as a workshop. In any event, the provision of such equipment should be given a high priority. But the requirement should insofar as possible be established at least in general terms before the expert leaves Canada and the requesting government should in the first instance be asked if it can or will provide it. If it cannot or will not provide it, the

equipment should be included in the country's annual programme, or, alternatively, the expert should not be sent (this course of action would be followed, for instance, if the equipment is not made in Canada, or if there is a prime facie case for having the requesting government provide it). If additional equipment is required after the expert reaches his destination, it could be financed under the small projects procedure, from the contingency fund or by an adjustment in the country's programme.

Equipment might also be needed to complement a training programme in Canada, e.g. the training of technical school teachers combined with the establishment of a technical school abroad. The equipment might be part of an integrated programme involving bringing trainees to Canada and sending experts abroad. In both cases, the provision of equipment should be given a high priority, but care should be taken to avoid the habit of making small presentations to trainees leaving Canada.

Requests for equipment may originate in receiving countries independently of any requests for training places or experts. Investigation of such requests could lead us to sending experts abroad to supervise its installation and use. In any event requests of this kind should be examined with care. As in the case of expert and trainee programmes, the provision of equipment should be tied to the solution of specific problems or to meeting specific needs and in which the government of the requesting country has shown an interest by devoting to them some of its own resources. The "bits and pieces" approach should be avoided.

Equipment might also be recommended, but not required, by an expert. Provided that it is also requested by a receiving government, it should be treated in much the same way as requests originating solely with a government.

Surveys of Resources

Surveys of resources have been financed under our other aid programmes. It is assumed that they would be eligible for financing under our African programme.

General basic surveys of resources are of permanent value and should probably be given a high priority within the framework of our aid programme to Africa. However, in the case of the more specialized surveys, greater caution should be exercised before they are accepted for inclusion in our programme. The weaknesses of undertaking these types of surveys are similar to those of providing expert advisers: Will the government of the country surveyed take any action following the completion of the survey? For instance, if the purpose of the survey is to establish the feasibility of double cropping, there should be some concrete evidence that the requesting government has more than a theoretical interest in the matter, e.g. that it has encouraged double cropping in areas where it is known that it is feasible, that it has at least the nucleus of the administrative machinery required to spread the practice, that it is prepared to set aside funds to finance any necessary capital investments. The results of such surveys should be followed closely not only in order to assess their value, but also to find out whether any good projects which we could undertake emerge from them.

Capital Assistance

Given the amount of aid funds available and the proposal to enlarge the definition of technical assistance, the amount of funds remaining for capital assistance could be small. However, in the last analysis, this will depend on the nature of the requests received.

It is not proposed to follow the Colombo Plan practice of setting aside so much for technical and so much for capital assistance. The total amount of funds available does not lend itself to such a division. However, it is suggested that within the overall limits of its allocation, each country should remain free to request as little or as much of one or the other type of assistance as it wishes.

Conclusions and Summaries

The approach outlined in this paper is concerned essentially with technical assistance, but the general principles on which it rests can be applied to capital assistance. Basically, it suggests that technical assistance should be thought of in terms of projects; that is the three main elements which enter into a technical assistance programme, i.e. experts, trainees and equipment, should be used not in isolation from one another but to complement each other; that the purpose of each project should be defined in specific rather than general terms; and that the governments of the countries concerned are sufficiently interested in the project to have invested or to be prepared to invest some of their resources in it.

It is fully realized that the suggested approach and the principles underlying it cannot be rigidly applied. The approach has not been applied to countries receiving aid under the Colombo Plan where conditions are probably more favourable than in Africa. However, in India, we have under investigation the possibility of staffing and equipping eight engineering colleges which are being financed out of counterpart funds; in Malaya, we are thinking of sending a medical team which would be attached as a teaching team to a hospital where Malayan doctors graduating from the recently established School of Medicine would go for further training; also in Malaya, we are thinking of helping to establish with the help of the University of British Columbia a school of Public and Business Administration. Under this latter scheme, teachers would be sent to Malaya from Canada and counterparts would be trained in Canada. The execution of all these projects would be spread over several years. Our overall objective would be to undertake similar projects in Africa.

The development of such projects will take time and particularly during the first year of operation of the enlarged programme of aid for Africa, it might be difficult to find a sufficient number of them to absorb all the funds available. At the same time it should be realized that unless a few such projects are undertaken, it may prove difficult to spend the funds voted by Parliament. While allowances must be made during the first year of the operation of the programme and while it is recognized that Ghana, Nigeria and Sierra Leone may not know their needs as exactly as may be required, our objectives should be to implement the suggested approach as fully as possible as soon as possible and that the first step towards this objective should be taken this year.

In summary:

1. The practice followed under the Colombo Plan of setting aside a specific amount for technical assistance should not be followed in the case of the African programme.
2. Within the limits of its allocation, each country should be free to receive as much technical assistance or as much capital assistance as it wishes. The division between the two types of assistance within a country's allocation should ultimately be decided by that country.
3. The size of any capital assistance project is likely to be small.
4. The definition of technical assistance should be enlarged to include substantial quantities of equipment either in direct support or independently of our expert and training programmes, but with a higher priority being given to equipment needed to support these programmes.
5. Training and experts programmes should be concentrated on meeting a few carefully selected and defined needs. In practice, this would mean:
 - (a) training in Canada as well as abroad should be given to a limited number of groups of people, the members of each group taking their training in the same field;
 - (b) the movements of people to and from Canada should insofar as possible, complement each other;
 - (c) experts should concentrate their efforts in a few fields and the team approach should be given a high priority;

(d) the provision of equipment needed by experts or to complement training programmes should be given a high priority;

(e) a greater degree of continuity should be built into our technical assistance programmes.

6. One of the main criteria for selecting projects for assistance should be extent to which requesting countries are devoting their own resources to meeting the need or solving the problem.

7. Subject to (5) above, the following priorities should be generally accepted in relation to our training and experts programmes:

(a) educational assistance (trainees): graduates rather than undergraduates;

(b) educational assistance (experts): teacher trainers and teams of teachers for a few selected institutions;

(c) technical training (trainees): training courses rather than observation tours;

(d) technical training (experts): experts acting in an operational rather than an advisory capacity; experts who train large numbers of people; experts organized in teams.

8. General basic survey of resources should be given a high priority, but the more specialized surveys should be undertaken only if it appears that results will be used almost immediately.

608.

DEA/12882-40

*Note de la 1^{ère} Direction économique
pour le chef de la Direction de l'Afrique et du Moyen-Orient*

*Memorandum from Economic (1) Division
to Head, Africa and Middle East Division*

CONFIDENTIAL

[Ottawa], June 14, 1961

AFRICAN PANEL

At our meeting last week you asked me to set down some thoughts I expressed in general terms on the subject of Canadian assistance to Africa. I think there were two main points I wished to make:

(a) We should be on our guard against the temptation to think of aid as providing the answer to all of emergent Africa's economic problems, or even as offering a sure-fire formula for satisfying the aspirations of those countries for rapid economic development. Even without the evidence of the last Assembly there could be no doubt that the hopes and ambitions of Africans far exceed the capacity of the West to gratify them, and we are entering a period during which, whatever we do, and with the best will in the world, there are bound to be disappointments, misunderstandings, complaints and recriminations. This is not to suggest a defeatist attitude; quite the contrary, but we must keep our eyes open to the realities of the situation and know what we are letting ourselves in for over the next decade or longer. Fortunately for us, Canada has no colonial or slavery system past to live down, but we are nevertheless lumped together with the USA and Europe in the eyes of black Africa as the countries on which they have the strongest moral claim for economic support after they become independent. It is almost as if we in the West "owe" it to them in reparation for past exploitation.

It will be for consideration by the Panel at some stage how far it would be proper to go in allowing the idea to gain currency (e.g. among African delegations at the UN), which it probably will if we do nothing about it, that Canada stands ready to play its part in Africa comparable to efforts we have made and are making for, say, the Colombo Plan countries. On this point, I would repeat that while it might be unduly burdensome for the EAO to send a

representative to regular meetings of the Panel, we would hope that they could nevertheless participate whenever substantive questions of aid are up for discussion. In particular, I would suggest that they be asked to comment at an early stage on the general policy question involved here.

(b) My second point arises out of (a). The Panel is now made up exclusively of members of this Department, who may perhaps be expected to interpret the various issues before us in the light of their predominantly political training and background, as would be only natural. We may be tempted to look for solutions to problems mainly in terms of Canada's interests in, and relationships to, African countries. To the extent that this may be a fair comment, I would urge our group to approach problems having economic implications in the perspective of the broader global issues between the 'have' and the 'have-not' countries of the world. I mentioned at the last meeting the desirability of keeping in mind the known attitude of the Government towards aid questions generally, and of tempering our deliberative processes with an awareness of the limitations imposed on Canada's willingness and ability to join others in playing a 'big brother' role in Africa by the exigencies of our own domestic economic situation (to say nothing of the political situation), and by the Government's sense of priorities in lending a helping hand. As I think I mentioned, it appeared to me highly unlikely that the Government would increase its African aid programme (\$10,500,000 over 3 years) *at the expense* of our Colombo Plan client countries, even though the commitment undertaken at Montreal in September, 1958 to raise our contribution from \$35 million to \$50 million expires, I think, in 1962-3. I doubted that the Government would revert to the lower figure, especially after the recent offers at the Indian and Pakistan Consortia meetings in Washington. It therefore follows that a more active Canadian role in promoting the economic development of Africa would involve additional burdens on the Canadian taxpayer, which is a point to be borne in mind during the coming year when an election is possible. We are under pressure from the UK to extend and enlarge our aid programme to the West Indies (which might have much more appeal to the Maritime Provinces than aid to rather more remote Africa), and from Alcan to do something big for British Guiana.⁸⁰ The Government is also in the process of expanding the scope of its export financing facilities, which we represented to India and Pakistan as a form of aid through long-term credits. So, as you see, there are many competing demands on Canada's limited resources, and it will behoove us to bear this in mind when pondering on the question of how active a role we wish to play in Africa. Present indications appear to be that until public (and Government) thinking in Canada matures more fully in favour of African involvements, going beyond the strengthening of our diplomatic representation and aid to Commonwealth countries, Canadian delegations at the UN and other international bodies should move forward with a certain amount of caution on African questions of a kind likely to involve "put up or shut up" issues for us.

D.B. WILSON

⁸⁰ Voir/See document 595.

609.

DEA/12882-N-7-40

*Le directeur général du Bureau de l'aide extérieure
au sous-secrétaire d'État aux Affaires extérieures*

*Director-General, External Aid Office,
to Under-Secretary of State for External Affairs*

Ottawa, June 29, 1961

Attention: Mr. A.E. Ritchie

The Minister has been very anxious that we should proceed with the implementation of an African aid programme as early as possible. During the last few months, we have been endeavouring to have the eligible recipient countries of Africa put forward well conceived projects for our consideration. The results have been somewhat discouraging with the exception of an aerial survey and contour mapping project in Nigeria.

In the interest of haste and in compliance with the wishes of the Minister, I have prepared and forwarded the attached submission for his consideration and onward transmission to Cabinet.

Your concurrence with the action taken in this particular instance, and approval of the Nigerian Aerial Survey Project, as part of the 1961-62 Special Commonwealth African Aid Programme, would be appreciated.

Yours sincerely,

H.O. MORAN

610.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], June 10, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Finance (Mr. Fleming),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Justice (Mr. Fulton),
The Minister of National Defence (Mr. Harkness),
The Minister of Citizenship and Immigration (Mrs. Fairclough),
The Minister of Fisheries (Mr. MacLean),
The Minister of Labour (Mr. Starr),
The Postmaster General (Mr. William Hamilton),
The Solicitor General (Mr. Browne),
The Minister of Mines and Technical Surveys (Mr. Comtois),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Defence Production (Mr. O'Hurley),
The Minister of Public Works (Mr. Walker),
The Associate Minister of National Defence (Mr. Sévigny),
The Minister of Forestry (Mr. Flemming),
The Secretary of State (Mr. Dorion),
The Minister without Portfolio (Mr. Halpenny).

The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Mr. Labarge).

...

AFRICAN AID PROGRAMME, NIGERIA; AERIAL SURVEY

17. *The Secretary of State for External Affairs* recommended granting a request of the Federation of Nigeria that Canada provide, under the Canadian Special African Aid Programme, an aerial survey and contour mapping of 24,800 square miles in the South-western area of the country.

It had been stated by the Nigerian authorities that mapping was urgently required before planning any proposed development sites. Experience with other major development programmes had shown that they had been adversely delayed because of lack of contour maps.

The total cost of aerial photography, ground survey and map compilation had been estimated at \$1,350,000. Work could commence this October, and the expenditure during the 1961-62 fiscal year would approximate \$350,000.

An explanatory memorandum had been circulated, (Minister's memorandum, June 28 – Cab. Doc. 269-61).†

18. *The Cabinet* agreed with the recommendation of the Secretary of State for External Affairs to grant the request of the Federation of Nigeria for an aerial survey and contour mapping of a 28,400 square mile area of Nigeria, and approved the allocation of \$350,000 from the 1961-62 appropriation from the Special Commonwealth African Aid Programme towards the cost of this project, the balance of approximately \$1 million to be a first charge against the Nigerian allocation under the 1962-63 Programme.

...

5^e PARTIE/PART 5

AIDE AUX ANCIENS TERRITOIRES BRITANNIQUES DES ANTILLES
AID TO FORMER BRITISH TERRITORIES IN THE CARIBBEAN

611.

DEA/12882-W-1-40

*Note du chef de la Direction de l'Amérique latine
pour le chef de la 1^{ère} Direction économique*

*Memorandum from Head, Latin American Division,
to Head, Economic (1) Division*

CONFIDENTIAL

[Ottawa], June 19, 1961

AN AID PROGRAMME FOR THE CARIBBEAN

I agree, and for the reasons you give, that it is desirable that Canada provide aid to the West Indies, British Honduras and British Guiana. I wonder, however, if a Caribbean aid programme would be the best framework for Canadian aid. You assume that the United States would be willing to contribute to such a plan. The United States might be willing to coordinate its aid with that provided by Commonwealth countries, but I doubt if it would enter a regional aid programme based on the Commonwealth association and which cuts across traditional inter-American ties. It is likely to encourage the three dependencies, when they achieve independence, to join the Organization of American States. As a result of the new U.S. aid programme, it would be in their interest to do so and the United Kingdom Colonial Office is

encouraging the West Indies, at least, to consider early membership. (See letter No. 874 of May 30, 1961 from London). †

2. I do not think that membership of these emerging states in the Organization of American States would prejudice Canadian interests. On the contrary, I think we should welcome any developments which strengthen the Organization of American States which, whatever else it may be, is a useful instrument in the conduct of relations between the United States and the countries to its south. United States aid is to be distributed largely through the Inter-American Development Bank in order to avoid the direct confrontation of donor and recipient which you fear.

3. At the same time, it is desirable, I believe, that these territories also maintain their ties with the Commonwealth and there is certainly something to be said for a Commonwealth aid programme for them. The sending of a token number of experts from African and Asian members could be politically useful particularly in the case of British Guiana, and some system might be devised to enable the United Kingdom or Canada to underwrite indirectly the expenses of such experts.

4. Nonetheless, despite the advantages of strengthening the Commonwealth ties, I think that all things considered it would be better for Canada to provide aid on a bilateral basis.⁸¹ As you point out, we have specifically Canadian reasons for maintaining strong ties with British Guiana and the West Indies and the Canadian aspect is likely to be lost in a Commonwealth scheme. There is also some danger in associating Canada with the United Kingdom which, as the former colonial power, is bound to be regarded in an emotionally charged way in the initial years after independence.

5. I have mentioned possible United States objections to a Caribbean aid programme. I think that in addition Canada's own relations with Latin America would suffer if any Commonwealth scheme were expanded to include Haiti or the Dominican Republic. Canada's ties with the United Kingdom, which is still regarded as a colonial power in Latin America, are generally misunderstood in this area. Canadian participation in a plan which might seem to run counter to hemispheric solidarity could arouse suspicion and antagonism.

6. I might add that it would be preferable to establish a Canadian programme of aid before these territories join the Organization of American States because otherwise we will be laying ourselves open to the charge of discriminating between O.A.S. members.⁸²

7. I doubt whether Canadian aid could have a decisive influence in protecting Alcan's bauxite deposits in British Guiana. If it appeared in any public statement that this was the objective of our aid, the aid would be "counter-productive" and might lay us open to blackmail. Moreover, there is a question of how far the Canadian Government should go in indirectly subsidizing, through the provision of aid, the interests of a private company.

8. Any aid Canada extends will be small compared to that of the United States. These dependencies will probably find their most fruitful access to aid through the new U.S. inter-American aid programme. This should be borne in mind in attempting any realistic assessment of the influence of Canadian aid both political and economic.

Y. BEAULNE

⁸¹ Note marginale :/Marginal note:

Canadian aid would still be, as it is now, bilateral. [Auteur inconnu/Author unknown]

⁸² Note marginale :/Marginal note:

We already have an aid programme. [Auteur inconnu/Author unknown]

612.

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. 320-61

[Ottawa], August 28, 1961

CONFIDENTIAL

AID PROGRAMME FOR FORMER BRITISH TERRITORIES IN THE CARIBBEAN

A Decisive Time for the Future of the Caribbean

Important political and social developments are reaching a crucial stage in the Caribbean. The Federation of the West Indies will emerge as an independent country next year, so that there will shortly be a second North American country as a full member of the Commonwealth. British Guiana had an election this August and may achieve its independence as early as 1962, and British Honduras will also be pressing for internal self-government and eventual independence. Castro's revolution in Cuba has made a profound impact on the entire Caribbean and Latin American area, and we may be reaching a turning point for the whole future course of events in this region. This is particularly true with respect to British Guiana because Dr. Jagan, whose Party was successful in the recent election and who appears most likely to be the leader after independence, is clearly attracted by Castro and may seek closer ties and development assistance from the Eastern bloc when independence from the United Kingdom is achieved. He is not well disposed to joining with the West Indies Federation and there is some doubt whether he would seek to keep British Guiana in the Commonwealth. The situation in the West Indies is more stable, but experience in the region indicates that it could change rapidly if tension in the area should increase and if British Guiana were to move in an anti-Western direction.

A very important factor bearing on the way events develop will be the aid and development programmes of the West. It is therefore recommended that the Cabinet give urgent consideration to the question of the form and extent of a continuing aid plan for the British Territories in the Caribbean in order:

(a) to take advantage of the opportunity for discussion of this subject with other Commonwealth countries at the meeting of Commonwealth Finance and other Ministers (the Commonwealth Economic Consultative Council) to be held in Accra in September;

(b) to ensure that some preparatory discussions can get started now that elections have taken place in Guiana and before the new governments in the area move too far in other directions; and

(c) to show the West Indies Federation at the time when we are renegotiating our trade agreement, that we have a continuing interest in their economic progress.

Canadian Aid Programme

Under the present arrangement Canadian aid to the British Territories in the Caribbean is applied almost entirely to the West Indies. The only aid available to British Honduras and British Guiana amounts to \$100,000 for technical assistance under the Commonwealth Technical Assistance Programme. Under the existing Canada-West Indies Aid Programme, Canada is committed to spend \$10 million during the five fiscal years 1958-59 to 1962-63. The Programme covers both capital and technical assistance. Of the \$10 million, the amount available for new projects between now and March 31st, 1963 is approximately \$1.7 million.

The recent Canada-United Kingdom-United States Mission to the West Indies indicated that there are projects in the smaller islands which could very quickly use up this balance. If there is to be no gap in Canada's aid programmes to the West Indies it is essential to decide on future plans as soon as possible. Now that the British Caribbean territories are approaching independence, Colonial Development and Welfare Funds will no longer be available from the United Kingdom and Canada could hardly offer less aid than before independence.

Canadian Interests

Aside from our definite political interests in the stability of a Commonwealth member, and of territories in the North American area, Canada has a very substantial trade and investment interest in the Caribbean. There is a long history of close association between the West Indies and Canada and the West Indies are traditionally an important market for Canadian goods (our exports to the Federation have been running at about \$40 million a year). This trade is important because it is made up of a wide range of products including substantial amounts of industrial goods which are frequently the products of small firms in Eastern Canada and constitute an important share of their total business. It is perhaps even more important that Jamaica and British Guiana are the chief source of supply of bauxite to the Canadian aluminum industry. At the present time the total investment of ALCAN in these two areas is more than \$100 million and ALCAN gets 66% of its bauxite from British Guiana. Any uncertainty about this source of supply could have serious disruptive effects on the aluminum industry in Canada and worsen its competitive position. The lesson of Castro's Cuba is particularly relevant in this connection. ALCAN is the largest but not the only Canadian investment in this area. Total Canadian direct investment in the West Indies was estimated to be worth \$155 million in 1958 and is probably greater now. This includes branches of manufacturing firms, banks, insurance companies, utilities and real estate holdings. There are also Canadian holdings of West Indian, mainly Jamaican, equities.

Possible Future Aid Arrangements

If the Canadian aid programme for the British Territories in the Caribbean is to be continued or increased, it is recommended that serious consideration be given to the establishment of a programme similar in nature to the Colombo Plan. The aid arrangements would be on a bilateral basis but a number of other Commonwealth countries would be asked to participate and to contribute. In addition, on the analogy of the Colombo Plan, while the United States would be informed of what is being considered, it would not be invited to participate until after Commonwealth countries had approved the idea.

Advantages of a "Colombo Plan" Arrangement

(i) It would be a valuable Commonwealth initiative which would demonstrate the continuing vigour and importance of the Commonwealth of Nations. It could be particularly valuable at the present time when the United Kingdom attitude on the question of joining the Common Market may be casting some doubt on the future value of the Commonwealth.

(ii) It would enable aid arrangements to be made in a way which would contribute most to the dignity and sense of responsibility of the recipient countries. They would be full members of the organization, and there would be no implication of any continuing colonial or dependent status.

(iii) It would enable newly emerging countries in the Caribbean to benefit from the experience in economic, social and cultural fields of other Commonwealth countries, including Asian and African countries which themselves have recently emerged as independent nations within the Commonwealth.

(iv) It would provide a group and a forum within which leaders such as Dr. Jagan could find scope to demonstrate and develop their capacity as political leaders, in a constructive way, without being tempted or forced into extreme reactions along Castro lines.

(v) It would start as a distinctive Commonwealth initiative closely related in its aims to President Kennedy's hopes and plans for Latin American development, but it would take place in what is mainly a Commonwealth region. So far as Canada is concerned, it might be regarded as a more effective and more appropriate contribution at this time than full-scale Canadian involvement in Latin America. In addition, this proposal would have the advantage of combining the two programmes mentioned in paragraph three above, thus simplifying the administration of Canadian aid in that area.

Preliminary Consideration at Commonwealth Meeting at Accra

The meeting at Accra⁸³ provides an ideal opportunity for Commonwealth countries to discuss a possible new aid programme for this region. It is not proposed that the Government should now make a definite decision, in time for the Accra meeting, on a major new initiative on future aid plans and arrangements for the former British Territories in the Caribbean. However, it is desirable that the meeting at Accra make a start in this direction since the indication of preparatory plans could itself have a substantial influence on developments in the West Indies and in British Guiana.

Recommendations

(a) The Ministers representing Canada at the Accra meeting should be authorized to explore with the representatives of other Commonwealth Governments the possibilities of setting up a programme for aid to British territories in the Caribbean, particularly the West Indies Federation, British Guiana and British Honduras, on the analogy of the Colombo Plan.

(b) While not taking the initiative in proposing such a programme, Canadian Ministers may indicate that if there should be eventual Commonwealth agreement to set up a programme for aid to former British territories in the Caribbean, Canada would be prepared to participate. Although no financial commitment would be made at this stage, Canadian Ministers at Accra could indicate that Canada would be prepared to contribute not less than the present level of Canadian aid to the territories concerned, which averages about \$2.1 million annually. If other countries were prepared to participate in such a programme Canada might later review the size of its contribution in the light of the total contributions subscribed by other Commonwealth countries.

(c) If other Commonwealth Governments are willing to proceed with preliminary steps toward a cooperative aid arrangement for the Caribbean, an announcement might be made at the Accra meeting that a group of experts is being appointed to make recommendations to Commonwealth Governments regarding future aid arrangements. The group might include certain senior officials experienced in aid matters from a number of Commonwealth countries, for example, the United Kingdom, India, Pakistan, Ghana, Nigeria and Canada.

The expert group would consult about the most desirable arrangements with the authorities in the West Indies and other Caribbean territories concerned, with the Governments of Commonwealth countries and with the United States Government. The group would not be expected to recommend a scale of contributions from member governments but it would be empowered to consult with them and to report any indication of the amounts they might be willing to contribute.

⁸³ Voir/See document 522.

(d) Following the report of the group of experts, which might be in six months time, Commonwealth Governments would consider the report and decide on the next steps to be taken.

H.C. GREEN

613.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], September 7, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

AID PROGRAMME FOR FORMER BRITISH
 TERRITORIES IN THE CARIBBEAN

29. *The Minister of Finance* said that the Ministers representing Canada at the Accra meeting required guidance on the attitude they should take on aid to former British Territories in the Caribbean. The Secretary of State for External Affairs had suggested that, while not taking the initiative in proposing such a programme, the Canadian Ministers might indicate that Canada would be prepared to participate if there should be eventual Commonwealth agreement to set up an aid programme for these countries.

Under present arrangements Canadian aid to the British Territories in the Caribbean applied almost entirely to the West Indies. This programme had about 18 months more to run.

Dr. Jagan of British Guiana was planning to visit Washington in October of this year, and was expected also to visit Ottawa at that time. He was clearly attracted to Castro, but had

indicated that he hoped to secure aid from the democracies and hoped that British Guiana would remain in the Commonwealth.

The Caribbean area was in a state of flux. A referendum was to be held in Jamaica on possible membership in the West Indies Federation. British Guiana might achieve its independence by next year, and British Honduras was also pressing for internal self-government. In these circumstances an alternative course for Canadian Ministers at Accra would be to state merely that the whole question would be further considered in a year or so when the situation was clearer.

An explanatory memorandum had been circulated, (Memorandum, Secretary of State for External Affairs, August 28 – Cab. Doc. 320-61).

30. *During the brief discussion* some said that Canada should take the initiative in this matter. A new aid programme would provide an answer to pressures for the admission to Canada of large numbers of immigrants from these countries. Others said that any such plan should be deferred because it would be useless as a negotiating gambit if it had been announced previously. Furthermore, any announcement on this subject might be regarded by some as an attempt to influence the referendum in Jamaica.

31. *The Cabinet* agreed that the Ministers representing Canada at the Accra meeting should avoid taking any position on a possible future plan of Commonwealth aid to former British Territories in the Caribbean, but should state that the question would receive future consideration in the light of the developing situation in that area.

R.B. BRYCE

6^e PARTIE/PART 6
PLAN COLOMBO
COLOMBO PLAN

SECTION A
SCHÉMA DE L'AIDE
PATTERN OF AID

614.

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. 267-61
CONFIDENTIAL

[Ottawa], June 23, 1961

COLOMBO PLAN PATTERN OF AID IN 1961-62

The purpose of this Memorandum is to recommend a pattern of allocations of the \$50 million which Parliament has been asked to vote for Canadian assistance under the Colombo Plan in 1961-62.

Column (1) of the table immediately below sets out the allocations which were approved by Cabinet Ministers for the 1960-61 Colombo Plan funds and column (2) sets out the allocations which are recommended for the current fiscal year.

	<u>Column (1)</u>	<u>Column (2)</u>
India	\$ 25,000,000 (including \$7,000,000 wheat)	\$ 25,000,000 (including \$7,000,000 wheat)
Pakistan	\$ 15,000,000 (including \$3,650,000 wheat)	\$ 15,000,000 (including \$3,650,000 wheat)
Ceylon	\$ 2,000,000 (including \$1,000,000 flour)	\$ 2,000,000 (including \$1,000,000 flour)
Malaya	\$ 2,000,000	\$ 1,000,000
Burma	\$ 1,100,000 (including \$400,000 wheat)	\$ 350,000 wheat (plus a portion of \$1,000,000 proposed for capital projects in the non-Commonwealth countries)
Indonesia	\$ 350,000 flour	\$ 350,000 flour (plus a portion of \$1,000,000 proposed for capital projects in the non-Commonwealth countries)
Vietnam	\$ 100,000 flour	\$ 100,000 flour (plus a portion of \$1,000,000 proposed for capital projects in the non-Commonwealth countries)
Cambodia	nil	\$ 50,000 flour (if Cambodia has a need for it)
Mekon	\$ 650,000	nil
Technical Assistance	\$ 2,500,000	\$ 2,000,000
Indus Development Fund	\$ 1,000,000	\$ 3,000,000
Unallocated Reserve	\$ <u>300,000</u>	\$ <u>150,000</u>
Total	\$ 50,000,000	\$ 50,000,000

India, Pakistan and Ceylon

It is not considered that any change would be warranted in the pattern of aid to India, Pakistan and Ceylon this year. It is therefore proposed that under the 1961-62 programme \$25 million be allocated to India, \$15 million to Pakistan and \$2 million to Ceylon.

Malaya

Under the 1958-59, 1959-60 and 1960-61 Colombo Plan programmes, Cabinet allocated a total of \$4.3 million to Malaya. Serious difficulty has been experienced in obtaining sufficient suitable proposals for capital projects in Malaya. One reason for this is believed to be that Malaya's own foreign exchange resources are at a relatively high level and she has not experienced serious difficulties in obtaining funds for her development programme. To date only \$1,588,500 of the \$4.3 million made available for the Malayan programme by Cabinet has been allocated to specific projects. Additional proposals for projects in Malaya are now under consideration but even if all of these are found to be satisfactory the allocation of an additional \$1 million would provide more than enough to meet their costs in 1961-62. It is therefore proposed that \$1 million be allocated for the 1961-62 programme in Malaya.

Singapore

No regular programme of capital assistance has been established for Singapore, although some such assistance has been given from time to time on an *ad hoc* basis. Singapore was

admitted to full membership of the Colombo Plan in 1959, and in the fiscal year 1960-61 Cabinet agreed to funds being reserved for a small project if a suitable one was proposed. One such proposal is now under consideration but no recommendation to Cabinet can be made just yet. In order that investigations and discussions may continue, it is proposed that under the 1961-62 programme \$150,000 be set aside as a part of the unallocated reserve for allocation to Singapore if agreement is reached concerning suitable projects.

Non-Commonwealth Countries

Under the 1960-61 programme a total of \$1,550,000 was allocated to the non-Commonwealth countries. Of that total \$700,000 was for the Thaketa Bridge Project in Burma and \$850,000 was for the provision of wheat and flour which was distributed as follows:

Burma	\$400,000
Indonesia	\$350,000
Vietnam	\$100,000

It is proposed that under the 1961-62 programme the provision of Canadian wheat and flour to the non-Commonwealth countries should be continued at least year's level, that is to a total of \$850,000. It is further proposed that negotiations with the non-Commonwealth countries proceed on the basis of \$350,000 worth being provided to Burma, \$350,000 worth to Indonesia and \$100,000 worth to Vietnam. The final \$50,000 would be reserved for an offer to Cambodia should they have a need for wheat or flour, or for a supplementary grant of wheat or flour to one of the other non-Commonwealth countries mentioned above.

It is desirable that the main emphasis under Canada's Colombo Plan should continue to be placed on the Commonwealth members. However, there are impelling reasons for at least some Canadian capital assistance, apart from the provision of wheat and flour, being directed to the non-Commonwealth countries of the Colombo Plan. The needs of these countries for development assistance are very great and it is important that Canada show some sympathetic awareness of their difficulties. These countries do not have the advantages of the Commonwealth relationship and the Communist bloc is only too eager to extend its influence through the provision of economic assistance. In view of these considerations it is proposed that a total of \$1 million be allocated for capital projects in the non-Commonwealth countries. When suitable projects have been proposed and investigated, specific country allocations will be recommended to Cabinet.

Technical Assistance

It is proposed that \$2 million be allocated for the technical assistance programme in 1961-62 rather than \$2.5 million which Cabinet allocated in 1960-61. The reason for proposing a reduction from last year's allocation is that annual technical assistance expenditures have hitherto been slightly less than \$2 million. If it should prove that additional funds are required for the programme, these could be made available from reserve funds.

Indus Development Fund

Under the Indus Development Fund agreement Canada has undertaken to make available a total of \$22.1 million over a period of ten years. The first year of the ten-year period commenced on April 1st, 1960.

As a part of the 1959-60 and 1960-61 Colombo Plan programmes, a total of \$3 million was set aside to meet payments under the Indus Development Fund agreement. To date, payments to the Fund have been less than \$1 million. However, the Administrator of the Fund has indicated that the payments which Canada will be requested to make to the Fund in 1961-62 and subsequent years will increase sharply, and it would therefore be desirable to allocate an additional \$3 million, under the 1961-62 Colombo Plan programme, for payments to the Fund.

Wheat and Flour

It is assumed that Cabinet will wish to include approximately the same total amount of wheat and flour in the 1961-62 programme as was included last year, that is \$12.5 million worth. It has been proposed in a previous section of this Memorandum that \$850,000 worth of wheat and flour be offered to the non-Commonwealth countries of the Colombo Plan. It is recommended that the balance of \$11,650,000 be divided in the same way as last year, that is \$7 million to India, \$3,650,000 to Pakistan, and \$1 million to Ceylon.

Summary of Recommendations:

I recommend:

(a) that the funds Parliament has been asked to vote for the Colombo Plan in 1961-62 be allocated as follows:

India	\$25,000,000
Pakistan	\$15,000,000
Ceylon	\$ 2,000,000
Malaya	\$ 1,000,000
Wheat and Flour for non-Commonwealth countries	\$ 850,000
Capital projects for non-Commonwealth countries	\$ 1,000,000
Technical Assistance	\$ 2,000,000
Indus Development Fund	\$ 3,000,000
Unallocated reserve (possibly to be used for projects in Singapore)	<u>\$ 150,000</u>
Total	\$50,000,000

(b) that officials be authorized to discuss with the authorities of the countries concerned the programmes to be carried out under these allocations, including the provision of Canadian commodities, equipment and services for economic development in the Colombo Plan area;

(c) that these discussions proceed on the basis that a total of \$12.5 million worth of Canadian wheat and flour would be included in \$50 million total of assistance to be provided in 1961-62 to Colombo Plan countries, and that the specific allocations to be offered to these countries would be as follows:

India	\$ 7,000,000
Pakistan	\$ 3,650,000
Ceylon	\$ 1,000,000
Burma	\$ 350,000
Indonesia	\$ 350,000
Vietnam	\$ 100,000
Cambodia or one of the other non-Commonwealth Countries of the Colombo Plan	\$ 50,000

(d) that shipment of this wheat and flour be made as soon as possible after offers are accepted.⁸⁴

H.C. GREEN

⁸⁴ Approuvé par le Cabinet le 15 juillet 1961./Approved by Cabinet on July 15, 1961.

SECTION B

RÉUNION DU COMITÉ CONSULTATIF DU PLAN COLOMBO,
KUALA LUMPUR, 13 AU 17 NOVEMBRE 1961
MEETING OF THE COLOMBO PLAN CONSULTATIVE COMMITTEE,
KUALA LUMPUR, NOVEMBER 13-17, 1961

615.

DEA/12881-40

Rapport de la délégation canadienne
Report of the Canadian Delegation

CONFIDENTIAL

Kuala Lumpur, November 17, 1961

PART I
OFFICIALS MEETING

As has become the custom, the Ministerial Meeting of the Colombo Plan Consultative Committee was preceded by a meeting of officials, which opened on October 30th. Canada was represented at the Officials Meeting by the following delegation:

Mr. James George, Canadian High Commissioner to Ceylon
Mr. S. Pollock, Director, International Programmes and Contributions, Department of Finance, Ottawa
Mr. A.S. McGill, External Aid Office, Ottawa
Mr. R.S. MacLean, External Aid Office, Ottawa
Mr. A. Kroeger, Office of the High Commissioner for Canada, New Delhi
Mr. I.L. Head, Office of the High Commissioner for Canada, Kuala Lumpur.

The agenda for the Officials Meeting is attached as Appendix A.†

Participation of South Korea

Prior to the meeting, the Republic of Korea had canvassed members of the Colombo Plan on the possibility of becoming a member and had also applied to the Government of Malaya, as host to the 1961 meeting, for permission to send observers. The Malayan Government was not as expeditious as it might have been in obtaining the views of other member Governments on the Korean application and the Koreans, in any case, sent a delegation to Kuala Lumpur without waiting to hear if they would be welcome.

The Canadian response to soundings by Korea was that Canada would have no objection to Korea being admitted to the Colombo Plan if the existing Asian members were prepared to welcome that country. At the same time, Canada felt there should be some consideration of the principle of extending the geographical area of the Colombo Plan before the Korean case was decided. Canada also indicated that it had no objection to Korea being given observer status if there was unanimous Asian acceptance. Other donor members of the Colombo Plan took a somewhat similar position.

The only members which voiced definite misgivings about accepting the Koreans as observers were Ceylon and Indonesia. It was generally recognized that once Korea received observers status it would be difficult to refuse an application for full participation. Ceylon and Indonesia did not, however, apparently wish to persist in their opposition and increase the embarrassment of the Malaysians, who had the Korean Delegation sitting on their doorstep. It was therefore agreed that Korean Observers should be admitted for this meeting without prejudice to any decision that might be taken about their participation in future.

The Annual Report

A very large part of the work of the Officials Meeting centres round the drafting of the Annual Report. While the drafting is sometimes a tedious process it does provide the opportunity for a thorough review of the economic situation of each member of the Colombo Plan, of the accomplishments of the Plan as a whole and of the tasks that remain. It is customary for each delegation to introduce its "country chapter" of the Report with a short speech in plenary session. The statement of the Leader of the Canadian Delegation introducing the Canadian section of the contributions chapter is attached as Appendix B.†

Since 1961 marked the 10th Anniversary of the Colombo Plan, an attempt was made in this year's Annual Report to review the past ten years. The result is a mixture of encouraging progress in some fields and disappointingly slow progress in others, with an unexpectedly high rate of population growth adding greatly to the problem of achieving satisfactory rates of economic growth.

Committee Structure

The effective work of the Officials Meeting was carried out in a series of Committees, listed below. The plenary sessions were almost entirely purely formal affairs in which committee reports were accepted without comment. The proceedings will therefore be described below under committee headings.

Business Committee (All Delegations)

Drafting Committee (10 members)

Country Chapter Working Groups (of which Canada chaired the Groups on Sarawak and North Borneo and served on the India and Laos Groups)

Sub-Committee on Technical Cooperation (10 Members including Canada)

Sub-Committee on Information (7 Members including Canada)

Bilateral Discussions

As usual, a number of delegations sought to hold bilateral discussions with Canadian representatives and some of them presented "shopping lists." A series of such meetings took place as soon as the committee work slacked off a little (in the second week). They have been reported separately.

In these bilateral talks the Canadian representatives brought up one or two points of their own, including delays in receiving certificates relating to counterpart funds. A more systematic preparation for bilateral talks might be carried out before future meetings.

Business Committee

The Business Committee, composed of the leaders of all delegations, is in effect the Steering Committee for the Colombo Plan Meetings. It meets on the eve of the Conference and intermittently throughout to discuss organization of committees and similar matters. The question of seating the Korean observers was discussed in the Business Committee, with the results mentioned above.

Largely at the instigation of the Indian and Canadian Delegations, the Business Committee considered at the Kuala Lumpur meeting whether it would not be possible to reduce the total length of annual Colombo Plan meetings from three to two weeks. Although there was some opposition from smaller Asian members, the host government for 1962 (Australia) was asked to examine this possibility and inform member governments by June 1st, 1962 if it were found feasible.

The Committee accepted and recommended to the Ministerial Meeting an American suggestion that the special subject for discussion at the 14th Meeting of the Consultative Committee in 1962 should be "Techniques and institutions for the mobilization of domestic

savings for economic development.” Each member is invited to submit a paper, based largely on its own experience of this matter.

The question which gave the Business Committee most trouble was that of the membership of Committees. Smaller Asian members, especially the Philippines, clearly felt they were not being given a turn as members of the Drafting Committee frequently enough. They were really directing their fire mainly at the British, Americans and Indians who have, by convention, become practically permanent members of this Committee and show no indication to step down. Australia, Canada, New Zealand and Japan have in recent years adopted an informal rotational arrangement by which one of them steps down each year.

The Drafting Committee has 10 members and there were suggestions that this number should be increased. Canada and other countries resisted this on the grounds that it would make the Committee too large to be effective in its work. Various schemes for a rotational arrangement were suggested but none appeared very feasible and all were resisted by the British and Americans.

The composition of the Sub-Committee on Technical Assistance also entered into the discussion, although there is evidently less demand for places on this Committee. In the case of the Sub-Committee on Information there was difficulty in getting enough members to serve.

This matter is a perennial one at Colombo Plan meetings and no really satisfactory solution seems to be in sight. At the 13th meeting the Business Committee could only reaffirm principles on the composition of the main committees adopted in 1960.

There was also a widespread feeling that the pattern of representation on Country Chapter Working Groups needed revising, having been unchanged for several years. The Business Committee drew up a modified allocation for these Groups for 1962, by which Canada will be a member of the Working Groups on India and Laos, and will be chairman of the Working Group on Malaya.

Drafting Committee

This Committee was ably chaired by the Leader of the Indian Official Delegation, Mr. N.C. Sen Gupta, who has some years of experience in attending Colombo Plan Meetings.

Canada was not a member of the Drafting Committee in 1961, having stood down in favour of Australia, but may expect to be on it again in 1962.

Sub-Committee on Technical Cooperation

Mr. George, Leader of the Canadian Delegation, was elected Chairman of this Sub-Committee and Mr. McGill acted as Canadian representative.

One of the regular tasks of this Sub-Committee is to draft a chapter on technical cooperation for the Annual Report. A working party composed of members of the Canadian, Indian and Cambodian delegations was set up to do the initial drafting and in fact the Canadian member did the actual work.

The Sub-Committee reviewed the Report of the Council for Technical Cooperation, on which there were only some minor comments about statistical presentation.

A Report on Training Facilities at the Technician level in South and South-East Asia had been commissioned by the Council and carried out with a Ford Foundation grant by Mr. H.R. Mills. This Report, which was a good piece of work, contained a number of recommendations which were discussed in some detail and in general met with approval. Detailed comments will be found in the Sub-Committee's report.

A proposal was made by the Philippines, Malaya and Thailand that there should be a survey of technical assistance needs in the region. The authors evidently had in mind (although they had not thought the matter out too clearly) a report something like that of Mr. Mills but

enumerating the “needs” of each country for technical assistance. They were not to be deterred by arguments about the difficulty of establishing “needs” in this field, nor by the contention of several delegations, including the Canadian, that determination of needs was the responsibility of each country and not of any outside body.

The compromise arrived at on this question was that the Sub-Committee recommended that each country in the area survey its needs for technical assistance; that the reports of individual member governments be circulated by the Colombo Plan Bureau; and that the 14th Meeting of the Consultative Committee might then consider whether a comprehensive picture of the needs of the region as a whole was desirable.

Sub-Committee on Information

Nine countries, including Canada, comprised the Sub-Committee; observers from five other countries and from the Colombo Plan Bureau sat in on meetings as well. The Sub-Committee was chaired by the representative from the Philippines, Mr. Rolando A. Garcia. Mr. Head was the Canadian representative. The Sub-Committee commenced its work by reviewing two documents prepared for it by the Colombo Plan Information Officer. The first of these was a Report on Colombo Plan information activities in 1960-61, and the programme for 1961-62; the second document was a summary of action taken by member governments to celebrate the completion of 10 years of Colombo Plan cooperation.

The first two meetings of the Sub-Committee were largely occupied by a criticism of the information activities of the Bureau introduced by the Malayan Delegation. The chief complaint seemed to be that Bureau information materials were not sent in sufficient quantities to the Federation of Malaya. The Bureau Information Officer, Mr. Malik, suggested that any problem could be attributed to the failure of the Federation to inform the Information Officer of the numbers and quantities of various materials prior to their actual circulation.

The Sub-Committee devoted much attention to the language problems of the various countries. The Information Officer was required again and again to emphasize that his budget was not sufficient to provide as many language versions as he was now being requested to do by some Delegations. He felt obliged to bring the Director of the Colombo Plan Bureau to one of the meetings to underline this position. He also informed the Sub-Committee that those publications which were available in language versions, principally “The Colombo Plan Story,” had not been subscribed to fully and that a large number of copies could still be versioned if the request was made.

In an attempt to shift the Information Office from the defensive the Canadian Delegation suggested that co-operation among member countries sharing common languages other than English could be fruitful. It was pointed out that Tamil is spoken in three of the countries in the area, that Malay is common to two countries, that French is used in three countries plus Canada, and that Chinese is known in several countries. The Sub-Committee report reflects this suggestion by recommending that materials prepared in one of these versions by one country could economically be made available to other countries.

The Canadian Delegation was also successful in placing in the draft report of the Sub-Committee a reference to the necessity of a continued flow of information from member countries to the Colombo Plan Information Officer for distribution by him. Emphasis was given to the point that the Colombo Plan Information Officer did not himself initiate information materials but relied wholly upon those received from member governments. The Canadian Delegation was then successful in removing this reference from an ignominious spot in page 5 of the draft report and raising it to an integral portion of one of the early paragraphs and backing it up with the first recommendation of the Sub-Committee.

The Sub-Committee noted, but did not feel strongly enough to recommend, that member Governments who had not already done so should designate separate liaison officers for contact with the Bureau for information work. This was a point made by the Malayan Delegation with great force and at great length but was not received enthusiastically by many of the Sub-Committee members.

The Bureau information programme for the forthcoming year was approved by the Sub-Committee. Considerable reluctance was expressed by the Delegations of Canada, Britain, the United States and Malaya, however, with respect to the proposed 50 page booklet giving basic information about the region. The value of such a booklet and the anticipated number of orders were both questioned. Mr. Malik and the Director of the Bureau both supported the booklet, however, as did a majority of the Sub-Committee.

PART II MINISTERIAL MEETING

The Honourable David Walker, Minister of Public Works, represented Canada at the Ministerial Meeting.

At the time the Ministerial Meeting took place the Malaysians were very disturbed by proposed releases by the United States of some of their stockpile of natural rubber. Any consequent fall in world rubber prices would have very serious effects on the Malayan economy. The Prime Minister of Malaya therefore spoke out very emphatically in his opening address about the problems of countries which are dependent on one or two primary commodities, and this tended to direct a good deal of attention to the question of markets and prices for primary commodities during the rest of the meeting.

The Malayan Prime Minister, Tunku Abdul Rahman, urged that developed countries eliminate barriers to trade and abolish internal policies which discouraged the consumption of the products of primary producing nations. He suggested that Colombo Plan countries should take the lead in finding solutions to the problem of unstable prices for primary products, and he endorsed the idea of compensatory financing for primary producing countries when their export incomes fluctuate. The leader of the Malayan Delegation went even further in his address to the Conference, and said that the Malaysians' faith in the United States desire to help the underdeveloped countries had been weakened.

The Australian Delegate, Sir Arthur Tange, Permanent Head of the External Affairs Department, made the most detailed reply to the Tunku's remarks on this point. He referred to efforts made in other agencies to deal with stabilization of markets and prices for commodities. Other South East Asian countries, especially Indonesia and Ceylon, strongly supported the Malayan point of view. The United Kingdom Delegate, Lord Lansdowne, Parliamentary Under-Secretary of State, Foreign Office, spoke of dealing with this problem on a "commodity-by-commodity" basis. He also said that a high and stable level of world trade was the only real solution. The U.S. did not reply directly in the course of the meeting to the Malayan Prime Minister's speech, but Mr. Bowles held a press conference on the subject later. The Canadian Delegate pointed out that commodity problems were being discussed in various other international forums, and in particular that Canada had worked with Malaya and other countries in GATT to reduce or remove barriers to trade.

In the main discussion on the Annual Report of the Colombo Plan, which had been prepared in the preceding meeting of officials, most countries drew attention to their particular problems and their progress, or lack of it. The Asian members, while expressing appreciation for aid received in the past, also emphasized in almost every case their great need for continuing assistance.

The New Zealand Delegate, Mr. Dean J. Eyre, Minister of Defence, referred to his country's fears about the effect of the U.K. entry into the Common Market. The U.K. Delegate said his country believed its entry would mean a net expansion of trade and would benefit others as well as the U.K.

The Indian Delegate, Mrs. Sinha, Deputy Minister of Finance, gave a fairly detailed description of the Indian development programme. She urged the acceptance of the figure of 1 per cent of national income as a target for aid from the developed countries.

The Canadian Delegate stressed in his speech the value of private investment, and regretted that more attention had not been paid to it in the Annual Report. The text of Mr. Walker's speech is attached as Appendix C. † Some other delegations also mentioned private investment. New Zealand spoke on similar lines to Canada, and a few of the less-developed countries, particularly Malaya, said that they encouraged private investment.

Although practically every speaker professed to be encouraged by the degree of economic progress in South-East Asia over the past ten years which was recorded in the Annual Report, there were many references to the high rate of population growth and the effect it had on development plans. The fact that recent censuses in various countries of the area showed that the increase over the past ten years had probably been about 150 million, and that the rate is very much higher than anticipated at the beginning of the Colombo Plan, was obviously very much in everyone's mind. There were a number of sober references to the need for greater efforts to speed up economic development in the face of this enormous growth of population.

The United States Delegate, Mr. Chester Bowles, probably made the outstanding speech of the Conference. He did not discuss aid problems in detail, and ignored many of the particular points raised by other delegates. He mentioned the \$30 billion extended by the U.S. over the last decade in economic assistance, and attempted to describe in general terms the basic objectives of U.S. aid policy in terms of world-wide development. He said the U.S. was not just trying to stop Communism from spreading, or to buy friends, but to encourage orderly political growth with wider freedom of choice for the people of under-developed countries. He argued that there was a rising tide of hope in the under-developed countries. He emphasized the need for long-term development plans, which in turn required long-term commitments by donors.

In the discussion on technical assistance which followed the general debate on the Annual Report, most countries had little that was new to say, except to emphasize the importance of technical assistance in the whole Colombo Plan programme. There were many favourable references to the report on Technical Training Facilities in the Area which had been prepared for the Colombo Plan Bureau by Mr. H.R. Mills, and there appeared to be general agreement that this report would be useful in stimulating better use of the existing facilities for training in the region and the development of more facilities. The delegates from Thailand and the Philippines, who had argued in the course of the Officials Meeting for a survey of technical assistance needs in the region, repeated their views on this subject in the Ministerial Meeting. The Canadian representative, along with others, endorsed the recommendation of the Sub-Committee on Technical Assistance that surveys of technical assistance needs should be done individually by member countries, since only they were in a position to determine their own needs. This was the only point upon which there appeared to be any real difference of opinion on the subject of technical assistance. The statement of Canadian representative on technical assistance matters is attached as Appendix D. †

The communiqué issued at the conclusion of the Ministerial Meeting is attached as Appendix E. † It is largely a brief version of the introductory chapters of the Annual Report. It will be noted that the 14th Meeting is to be held in Australia.

616.

DEA/12881-40

*Le haut-commissaire au Ceylan
au Bureau de l'aide extérieur*

*High Commissioner in Ceylon
to External Aid Office*

LETTER NO. XA-0166
SECRET.

Colombo, December 18, 1961

CANADA'S COLOMBO PLAN PROGRAMME – GRANT AID
OR CREDITS

At the Colombo Plan Consultative Committee meetings in Kuala Lumpur last month, I was not surprised that there should have been strong pressure from the developing countries for Canada and other donor countries to do more than we are at the present doing; but I was impressed by the fact that most of the *receiving countries would apparently prefer that we extend more credits for economic development even if it means that we might have to restrict the amount of our grant aid.* This was definitely the view of the Indian, Pakistan, Ceylon, and Malayan delegations, and also (judging from what Mr. Tyler Woods told me) of the United States delegation as well. Previously I had heard this view expressed by the Ceylon Minister of Finance, Mr. Bandaranaike.

2. I know that the Ottawa-based members of the delegation will be reporting on the meeting as a whole and I should like to confine my comments to this single question of the need for doing more in the field of credits as part of our aid programme. As background for these comments I should like, however, to record briefly why the Colombo Plan countries, who have received more than ten billion dollars in external assistance during ten years, think that the rate of outside help must be increased if they are to do better than mark time in their march towards self-sustaining economic growth.

3. The most dramatic and important fact brought out in the ten year review incorporated in this year's Annual Report was that the population explosion among member countries in South and South East Asia has given them a population in 1961 exceeding the estimates prepared ten years ago for 1970. Economic planners must now, in other words, take into account that they have 150 million more mouths to feed in the region than had been anticipated ten years ago.

4. The direct result of this unprecedented growth in population is that even those countries which have been doing quite well in terms of the rate of growth in their national product have virtually been standing still when their rate of growth is translated into per capita income, after making allowances for rising living costs. In real per capita terms, an annual rate of increase of one half to one per cent is considered normal, if not satisfactory, by the economic planners of the region.

5. Speaker after speaker dwelt at length upon (a) the widening gap between the developing and the developed, and (b) the increasingly unfavourable terms of trade for the countries of the region which are still mainly dependent upon the export of primary commodities, such as rubber, tin, tea, coconut, etc. During the Conference the price of rubber dropped by about three cents a pound due to the British and American sales from their stock piles of natural rubber. This small fluctuation in the price of one commodity will, I was told, if extended over one year, cancel out all the aid Malaya has received from all external sources under the Colombo Plan. Since returning to Ceylon, I find that a similar situation is in prospect, since the small drop in the prices of rubber, coconut, and tea may cost Ceylon (in foreign exchange and export duty losses) during the next year almost as much as it received from all external aid last year,

about 123 million rupees (\$25 million). These fluctuations in the world prices of the main exports of the region have, over the years, been the main unknown in all economic planning for the development of the region and have led to wasteful postponements or cancellations of economic development projects which, because of unexpected drops in commodity prices, one or another country of the region could no longer afford.

6. These pressures are not, however, enough to explain why so many developing countries of this region would deliberately choose to saddle themselves with repayment problems in the future if only they could get twice as much credit as we are at present making available to them as a free gift. It sounds irresponsible until one examines in detail the inner structure of their development planning. These countries – India especially – are in a gigantic poker game in which they must find more “chips” if they are to stay in the game with a chance of winning. Sufficient capital for development (as opposed to consumption) can be found in this region only from outside sources. The alternative is the imposition of totalitarian methods and the acceptance of mass starvation, as in the USSR between the wars and in mainland China today. Indian planners think that in from five to ten years they have a real possibility of their economy gathering sufficient momentum to be self-sustaining. If this is possible, then it makes more sense to invest heavily in credits for India for (say) the next seven years, so that they can reach “take-off,”⁸⁵ instead of keeping them afloat at their present level or less on a lower level of grant aid, which we have no chance of getting back. We may not get back all our credits either, but if by doubling our investment in India we thought we might get back at least half of it in the course of time, the Canadian Treasury would be no worse off in the long run and we would have made a much more significant contribution to India’s development than we can ever do on the grant aid we can afford to give India.

7. That is the argument I was given by the Indian planners. It applies (more or less well) to other countries. For example, Ceylon has a relatively small burden of external debt but its economy is very much further from “take-off” than India’s. Nevertheless, if the long term burden on the Canadian tax payer is likely to be no greater (and may well be less), I suggest we should give careful consideration to the preference of the region (if my information is correct) for credits instead of grants, so long as the proportion is at least two to one. If the proportion were lower than that, the countries of the region would, of course, prefer to continue to receive grant aid from us, as at present.

8. It will be objected that the countries of the region are making a mistake in their economic calculations, and that we should save them from themselves by refusing their request. The damage (if damage it is) is already one, however, since Canada is the only major donor country which still retains most of its aid programme in the form of grants. Everyone else is now using credits for a high proportion of their aid operations. The United States made the shift in policy several years ago, and now clearly distinguishes between Export-Import Bank commercial credits and Development Loan Fund Aid credits. When we say that \$10 billion has been “given” to the Colombo Plan region during the past ten years as “aid” we really mean that most of this amount has been *lent as credit*. Indeed, it is a constant annoyance to Canadian Delegations and Missions that usually no distinction is made between grants and credits, so that Canada stands much lower on the aid list that it should.

9. The Canadian programme is the exception, not the rule. For idealistic reasons we have clearly separated aid from trade and tried to keep in that way. This has avoided many administrative problems, (such as collecting payments on credits), and given us the respect as well as the gratitude of the countries of this region. But in their desperate search for investment

⁸⁵ Note marginale :/Marginal note:
Rostow! [Auteur inconnu/Author unknown]

capital during the next few years, they themselves would now prefer, I believe, that we abandon our policy in order to be able to make larger amounts available to them now on credit than we could possibly give as grants.

10. Let us compare ourselves with the Americans in Ceylon. Apart from its purely commercial Export-Import Bank credits, the United States is aiding Ceylon to the tune of about \$9 million, annually, of which roughly one-third is in grants and two-thirds in credits, taking together both their PL 480 wheat flour operations and their A.I.D. programme of technical cooperation (USOM) and D.L.F. loans. A more detailed analysis based on recent USOM figures is attached to this letter, together with a comparative table of what the major donor countries are doing for Ceylon.

11. On a comparable basis, Canadian grant aid to Ceylon is \$2 million annually, instead of \$3.1 million, and we have no credits or loans. Other countries that are helping Ceylon now do so almost entirely through "tied" credits and a small amount of grant aid, chiefly for technical assistance purposes. This applies even to the United Kingdom, which has an economic stake in Ceylon tea alone of not less than £200 million. I cannot help asking myself why we are not using credits more and grant aid less, in conformity both with the wishes of the receiving country and the pattern of most other "donor" countries.

12. This, I know, is a minority opinion coming from the periphery, and I put it forward with some hesitation because I would not want the upshot of any aid policy revision to be that Canada would do less for the underdeveloped countries. My submission is that we should do more, but that it is time we began to adjust our aid policies to present conditions, in the light both of the needs of the countries we are helping and of our own interests. I know that this problem is already being examined in Ottawa and I wish only to add my experience to the debate.

13. At Kuala Lumpur the Canadian Delegation was preoccupied with a problem outside the scope of the Consultative Committee but directly related to the type of aid programme that we have. As a result of an agreement signed in October between the United States and India, India must buy from the United States (on credit) about two-thirds of her next year's requirements of non-ferrous metals. Canada's share of the Indian market in these, and certain other, commodities was thus threatened – the more so because we had already decided to cut down drastically the amount of our Colombo Plan grant aid for India to be spent on commodities which, though useful to India's economic development could scarcely be said to leave a lasting monument of any kind to Canadian aid. I shall not go into this problem in detail here, but I think you would agree that it serves to illustrate the practical dilemmas we face because we do not provide ourselves with the same range of aid options as other major donor countries.

14. Another example is the Ceylon Government's request for Canadian export credits for their top priority hydro-electric development on the Maskeliya Oya. This has never been a candidate for Canadian grant aid – it has been judged on its merits as a commercial proposition, with due regard to Ceylon's "credit worthiness," and if the project is approved by ECIC it will be a normal commercial credit, i.e., on terms that cannot compare with either the United States D.L.F. (now A.I.D.) loan terms or even with the terms of Germany's "infrastructure" loans, which are now offered at between 3% and 4%. Japan, too, is combining Colombo Plan technical assistance offers with fairly low interest loans in cases where there can be said to be an "aid" element in a commercial proposition.

15. In other words, there is in fact a progressive blurring of the sharp line between aid and trade, and not merely for the sake of obtaining commercial advantages but because it is often objectively difficult to say whether a particular project – Maskeliya is an example – is trade or aid. The Germans have recognized this by creating a special category of loans on easy terms for "infrastructure" projects, and the United States have gone much further with their A.I.D.

loans, though both the Germans and the Americans, of course, continue to grant purely commercial loans where appropriate.

16. Canada has at present no “middle” option, between a commercial export credit and a straight gift. The only way to keep “aid” considerations from getting mixed up with “commercial” considerations is to have two types of credits. As seen from Ceylon, we should have both, and they should be strictly separate. Only then, I suggest, will we be able to keep commercial considerations out of our aid programme and aid considerations out of our normal ECIC commercial credits, to the benefit of both. For “credit worthiness” is a sound criterion for commercial operations, but other considerations must apply where our aim is to help the economic development of another country.

17. Let me now try to pull together these threads of my argument. From my brief experience in the region of South and South East Asia and one Colombo Plan Consultative Committee Meeting, I think the Government should consider a fresh orientation of our aid programme, based mainly on aid credits along the following lines:

(a) Grant aid should, on no account, be cut off abruptly or completely. We should complete existing projects, so as to retain the grant character of what we have begun on that basis. From now on, however, we should undertake major projects of economic development under aid credit arrangements and reserve grant aid for technical assistance, education, health, and other good works that will not pay the receiving country an economic dividend.

(b) The machinery for administering aid credits should be built up as part of the External Aid Office operations and quite separate from the Export Credits Insurance Corporation, where commercial considerations and terms apply. If we must reduce our grant aid in order to be able to embark on aid credits, it must be quite clear that the aid credit arrangements are a real form of aid granted on generous terms of not less than 25 years repayment, with preferably a ten year period of grace and interest rates (if interest is charged) of less than 3 per cent.⁸⁶

(c) Over a period of years, we should be prepared to extend credits in the amount of *not less than twice* the total amount of our present grant aid, less whatever sum would be needed to cover continuing grant aid projects as described above, and wheat. For capital equipment these aid credits would normally be “tied” to purchases in Canada, on the same basis as grant aid at present.

(d) As regards the special problem of wheat, we should continue to ship roughly present quantities of wheat flour under our new aid programme but in future half the value of the shipments should be covered by ECIC credit and half by grant aid. Only half the local sale price would therefore be credited to counterpart funds in the receiving country.

18. A word of explanation is needed on this last suggestion regarding wheat. I do not know whether the situation is comparable in other countries but here in Ceylon we could, I believe, renegotiate our wheat flour “aid” on this basis and even increase the quantity which Ceylon would be willing to take. American PL 480 sales are, of course, a precedent; and so long as Canada buys much more from Ceylon than we export we could probably get them to take about \$2 million worth of wheat flour annually at what would amount to half our commercial price. Half this amount in rupees would give us the same amount of counterpart funds as we have at present for local economic development projects approved by both Governments. Canada would be exporting more wheat to Ceylon and the cost to the Canadian tax payer would be less.

⁸⁶ Note marginale :/Marginal note:

Dr. Jagan would approve! [Auteur inconnu/Author unknown]

19. Assuming we need about \$10 million to finance the grant aid half of these wheat shipments, and that our continuing grant aid for technical assistance and other projects were to be tapered off to a level of about \$5 million a year, we should be able to extend aid credits up to about \$70 million a year, since the retrenchment in grant aid would be about \$35 million. Over a period of years, assuming that we get back at least half of the money we loan in the region, there will be less outflow of capital from Canada to South and South East Asia than if we continue grant aid at the present level. This would be the benefit for Canada in making the change of policy, together with the commercial obligations which, although they could not be stressed in an aid programme, are obvious from the lessons of our commodity difficulties with India this year.

20. All things considered, my personal view is therefore that we should re-shape our aid programme over the next few years, so that it will be largely a credit programme like the present Colombo Plan programmes of many other countries. This need not deprive us from taking credit for financing major development projects in the region. The United States put their name on hydro-electric developments, for example, that they have financed with aid credits rather than grant aid, and this is a generally accepted practice in this region.

21. As the pressures mount with the more widespread realization of the dimensions of the development problems of this region and other regions now making themselves heard, all donor Governments will no doubt be keeping under constant review the question of their ability to do even more than they have been doing for the underdeveloped. The target figure of 1% of GNP is probably beyond Canada's capabilities in terms of a credit programme, but it is certainly beyond us on the basis of grant aid. I therefore assume that if we are to do more it must be on credit, and that we could only make significant aid credits available by some reduction in our grant aid programme.⁸⁷

JAMES GEORGE

⁸⁷ Note marginale :/Marginal note:

This I think is an important letter (Paras 5 and 14-21 are particularly worth while). [Auteur inconnu/Author unknown]

[PIÈCE JOINTE/ENCLOSURE]

*Note**Memorandum*

CONFIDENTIAL

UNITED STATES AID TO CEYLON FOR AN AVERAGE YEAR
 (based on information recently supplied by
 the United States Operations Mission
 covering 1958-1961.)

	<u>%</u>	<u>US \$ Millions</u>
I <u>Wheat Flour</u> (supplied on Rs account under PL 480)		
Retained for "U.S. uses" (i.e. running their Embassy and other similar official expenses in Ceylon)	20%	1.1
Loans in Government and private sectors:	50%	2.75
Grant Aid	30%	<u>1.65</u>
TOTAL		\$5.5 million
II <u>Technical Cooperation Program (USOM)</u>		
Grant Aid for experts and equipment for agreed projects		1.46
III <u>Development Loan Fund (A.I.D.) Loans</u>		3.2
<u>SYNOPSIS:</u>		
Total Grant Aid	for an average year	3.11
Total Loans	for an average year	<u>5.95</u>
Total Aid	for an average year	\$9.06 million

N.B.: I was told by Mr. Tyler Woods that the U.S.-India PL 480 proportions are different: 15% "U.S. uses" and the remaining 85% is divided 50-50 between Grant Aid and Loans. However, this form of U.S. aid to India is, of course, only a small proportion of their total assistance, most of which is in the form of aid credits, i.e. loans on very easy terms.

EXTERNAL AID BY GOVERNMENTS TO CEYLON: 1951-60
(In Millions of Rupees: \$1 U.S. - Rs.4.80 approximately)
(Excluding UN, IBRD, IMF and other international assistance)

	<u>Total</u>	<u>Grant</u>	<u>Credit</u>
U.S.A.	285	184	101
Germany	206.8	6.8	200
USSR	142.8		142.8
Communist China	125	75	50
Canada	93	84	9
Yugoslavia	73		73
Poland	38		38
U.K.	34		34
Australia	31	31	
New Zealand	<u>12.3</u>	<u>12.3</u>	_____
TOTALS	1040.9	393.1	647.8

Except for the German figures which we have added, the above figures are taken from a press communiqué of May 11, 1961 issued by the Economic Division of the Ministry of Defence and External Affairs. Of credits offered (and listed above) less than half have been spent to date. United States wheat flour seems to have been counted as "grant" though this is true of only 30% of it.

SECTION C

MALAISIE ET SINGAPOUR
MALAYA AND SINGAPORE

617.

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. 75-61

[Ottawa], February 20, 1961

A PROPOSAL FOR THE ESTABLISHMENT BY THE UNIVERSITY OF BRITISH COLUMBIA
OF COURSES IN ACCOUNTING AND BUSINESS ADMINISTRATION IN THE MALAYA [SIC]
AND KUALA LUMPUR DIVISIONS OF THE UNIVERSITY OF MALAYA

The University of British Columbia and the University of Malaya have made a proposal that the University of British Columbia, acting as the agent of the External Aid Office, establish and develop courses in accounting and business administration in the universities at Kuala Lumpur and Singapore. The governments of Malaya and Singapore have officially requested that Colombo Plan funds be made available for this purpose.

This, in my judgement, is a very worthwhile proposal. In Malaya and in Singapore there is a great shortage of accountants and of business administrators, required not only for the economic activities of these states, but also for the public service. The U.B.C., with its well-

established School of Business Administration, is in an excellent position to carry out this project successfully, and is indeed in a much better position than is the External Aid Office to undertake it. The U.B.C. is prepared to take on this important task, which it would initiate, and develop, and carry through to its conclusion, assuming responsibility for its administration. Since it seems likely that the educational part of Canada's aid programmes in the future will increase substantially, the proposal of the U.B.C. might well establish a pattern of operations which it would be desirable and effective to follow in the future.

The U.B.C. proposes to complete this project over the course of a five-year period from May of 1961 to September of 1965. I am inclined to recommend, however, that the progress achieved each year, and the plans for the succeeding year, be reviewed annually so that in effect the Government of Canada would be committed not to a five-year plan, which is not thought desirable, but to a programme which might well continue over a five-year period, subject always to careful annual review.

The U.B.C. would undertake to provide certain services, and more specifically to:

(a) establish and develop course, in consultation with the University of Malaya, Kuala Lumpur and Singapore Divisions, in accounting and business administration;

(b) recruit the research and teaching staff;

(c) provide administrative and co-ordinating staff to assist in the implementation of this project at the Kuala Lumpur and Singapore Divisions of the University of Malaya;

(d) provide training facilities at the University of British Columbia and organize training programmes in Canada for trainees, who, upon completion of their training assignment will replace the teaching and research staff of the U.B.C. in the Kuala Lumpur and Singapore Divisions of the University of Malaya;

(e) advise upon the necessary equipment, including library books, journals, business machines, and other supplies necessary to the implementation of the project.

Initially, the U.B.C. would send to Kuala Lumpur and to Singapore a research team of three professors, to prepare a detailed work programme for the project, and to undertake at the same time the necessary research in business and in industry in Malaya and in Singapore with a view to adapting these research findings for classroom use. In addition, for the first year it is proposed to send out two associate professors to begin courses of instruction. In succeeding years there would be in Malaya and in Singapore six faculty members of the U.B.C., whose number would be reduced to four in 1964, and to two in 1965, leading to the conclusion of the project. At the same time, beginning in 1963, the U.B.C. staff engaged on this project would select appropriate trainees to come to Canada for training at the U.B.C. and elsewhere, who, on the completion of their successive training periods in Canada, would replace the Canadian professors giving instruction in Kuala Lumpur and in Singapore.

The U.B.C. has prepared a schedule of estimated costs to the Government of Canada to cover the project in Malaya and in Singapore. It is believed that this proposal could be made effective within a budget of \$500,000, if it continues for the full five-year period, plus the additional costs of bringing trainees from Malaya and Singapore for instruction in Canada.

Two types of payment would be involved. First, the U.B.C. expects to make no profit on this venture, but would naturally expect to be reimbursed for its out-of-pocket expenses in administering the undertaking. In the second place, the Government of Canada would pay the salaries of those sent out from the U.B.C. to serve as research experts and instructors. There would also be the costs of transportation for them and for their dependents, and the costs of the essential equipment.

In order to make this proposal effective, the U.B.C. will have to send abroad to Malaya and to Singapore professors who are members of its faculty but who are not yet Canadian citizens.

I understand that since business and accounting principles and practices in Malaya and in Singapore stem largely from those of the United Kingdom, it will be necessary that two of the U.B.C. staff of experts have a United Kingdom background. Further, in order to provide the precise specialty needed, it seems probable that one of the experts required abroad will be a member of the faculty of the U.B.C. who is still a citizen of the United States. In addition, certain equipment will be needed such as library books, reference material and business machines, to which reference has already been made, and most of this equipment would have to be purchased outside Canada. The value of these materials may amount to \$21,500 if the project continues over the full five-year period.

The essence of the proposal, therefore, is that the U.B.C. should, as the agent of the Government of Canada, undertake to initiate and bring to conclusion within five years (subject to annual review) a project of technical assistance involving the establishment and development of courses in accounting and business administration in the universities of Kuala Lumpur and of Singapore. The first question to be determined, therefore, is whether approval is to be given to this principle of contracting with an agency to carry out a Canadian programme of technical assistance. The second point to be determined is whether the conduct of this project is to be entrusted to the U.B.C. The third point is to determine whether the U.B.C. may be authorized to procure elsewhere than in Canada any of the \$21,500 worth of materials essential to the project which cannot be secured in this country.

Recommendations

In view of the importance of this project, which has received the most careful scrutiny by the authorities of the universities of British Columbia and of Malaya, in view of the fact that the completion of this project will correspond to a very real need in Malaya and in Singapore, and in view of the undoubted competence of the authorities and of the faculty of the University of British Columbia to bring this project to a successful conclusion, I recommend:

(a) that approval be given to the principle of contracting with an agency to carry out a Canadian programme of technical assistance;

(b) that the specific project of establishing and developing courses in accounting and business administration in the University of Malaya, Kuala Lumpur and Singapore Divisions, be entrusted to the University of British Columbia, and that the Government of Canada undertake to finance this project, subject to annual review, to the extent of \$500,000 over the five-year period from May 1961 to September 1965;

(c) that the University of British Columbia be authorized, insofar as some of the goods and services essential to the success of this project may not be had in Canada, to procure them elsewhere.⁸⁸

H.C. GREEN

⁸⁸ Approuvé par le Cabinet le 22 février 1961./Approved by Cabinet on February 22, 1961.

CHAPITRE V/CHAPTER V
EUROPE DE L'OUEST
WESTERN EUROPE

PREMIÈRE PARTIE/PART I

COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE
EUROPEAN ECONOMIC COMMUNITY

SECTION A

VISITE DE M. JEAN REY, DE LA COMMISSION
DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE,
À OTTAWA, LE 13 AU 18 JUIN 1961
VISIT OF MR. JEAN REY, EUROPEAN ECONOMIC COMMUNITY COMMISSION,
TO OTTAWA, JUNE 13-18, 1961

618.

DEA/12447-40

*Note du secrétaire du Cabinet
pour le premier ministre*

*Memorandum from Secretary to Cabinet
to Prime Minister*

CONFIDENTIAL

[Ottawa], June 15, 1961

MR. JEAN REY OF THE EUROPEAN ECONOMIC COMMUNITY

Mr. Rey of the European Economic Community came in to see me this morning by arrangement when he was unable to see you. He had seen Mr. Hees at lunch yesterday and was seeing him again late this morning and had met with officials yesterday afternoon at some length. He was disappointed not to see Mr. Fleming but quite understood that in the present circumstances this was virtually impossible.

The second message he wanted to convey was that the E.E.C. were not in any way pressing the United Kingdom to enter their Community and to undertake the necessary re-adjustments with the Commonwealth that would be necessary for that purpose. They are ready to welcome the entry of the United Kingdom as a great political event of the century, but they are not endeavouring to bring this about. (This of course preserves their bargaining power in negotiating the terms of entry and no doubt eases the problem of reaching a common view among the six countries who differ rather considerably on the degree to which they feel the United Kingdom should be in the Community.)

Mr. Rey went on to say that there were no negotiations with the United Kingdom now pending and he did not think there would be any negotiations undertaken soon. He felt that exploratory discussions would have to come first and that these should be conducted by officials and perhaps on a medium senior level rather than at the top. He thought these exploratory discussions would probably start in the fall if the United Kingdom were serious and might continue through the winter. He thought they might result in a report to governments or the Commission on which serious negotiations might then take place such as the Spaak report on which the negotiations of the Rome Treaty were based. He did not seem to envisage

serious negotiations commencing until next winter or spring and he thought these would take a considerable period, perhaps a year, before the ultimate decisions were reached.

I emphasized to Mr. Rey that you as well as other Canadian Ministers were following this situation very closely as he well knew. I said that you were not only concerned about the specific trade problems but about the general political issues involved, both in respect of the United Kingdom and Europe, and in respect of the future of the Commonwealth. I recalled that he had emphasized the previous day in the discussions with officials the importance which the Europeans attributed to the Commonwealth in the western world at the present time. He reiterated such emphasis.

When I mentioned these matters to you this morning, you asked about his estimate of the willingness of the Community to make exceptions to the principles of the Rome Treaty in respect of the United Kingdom to make it possible for the United Kingdom to enter. I had not asked him this as I felt that he would not give me any meaningful answer because this is of course something which would have to be negotiated by the United Kingdom and the Commissioners would certainly not want to give away their position to us at this state. The implications of our discussion on the trade problems yesterday, however, were that they were prepared to undertake some negotiation on our access to the U.K. market and possibly the wider E.E.C. market as part of the adjustments required to make it feasible for the United Kingdom to enter. Opinions differ, of course, on the willingness of the six governments, particularly the French, to see any exceptions as well as on the extent and nature of the exceptions to which they might ultimately agree. We have been having discussions among officials last week and this week on this question and are preparing detailed papers for you and the other Ministers concerned on these trade implications and I would not want to try to anticipate here the conclusions we are reaching on this score.

R.B. BRYCE

619.

DEA/12447-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Belgique
Secretary of State for External Affairs
to Ambassador in Belgium*

TELEGRAM E-1245

Ottawa, June 20, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Paris, NATO Paris, London, The Hague, Bonn, Tariff Del, Rome, Washington, T&C Ottawa.

By Bag Stockholm, Helsinki, Oslo, Copenhagen, Dublin, Lisbon, Vienna, Berne, Canberra, Wellington, New Delhi, Karachi, Lagos, Accra, Colombo, Kuala Lumpur.

REY'S VISIT TO CANADA

Jean Rey of the EEC Commission, accompanied by Hoven, his Deputy Chef de Cabinet, and de Groode of the Commission's Secretariat, was in Canada June 13 to 18. In Ottawa Rey met ministers of Finance and Trade and Commerce, senior officials and representatives of the press. He also visited Montreal and Quebec. Following are highlights of his talks with senior Canadian officials.

2. Rey gave brief progress report on EEC's internal and external affairs. Internally he said institutions are working well. The mechanism of the Customs Union laid down by treaty is automatic and does not raise major policy issues. Progress is being made in the elaboration of policies in other fields covered by Rome Treaty. The role of the private sector is particularly striking. It is fully supporting implementation of the Common Market and is carrying out extensive programmes of rationalization directed towards rapid economic expansion. Rey thought that the psychological conditions for the success of the Common Market had been met, and that the EEC had overcome its growing pains. However, two areas of difficulty remained, – the Common Agricultural Policy and political cooperation. Rey described French and Dutch positions on political integration in familiar terms and indicated that current discussions among the Six were aimed at compromise.

3. With respect to the EEC's foreign relations, Rey expressed view that Article 24(6) negotiations had been generally satisfactory and could not go further. He was gratified by the prospect of early agreement with Canada on wheat. In the Dillon negotiations, however, the UK was the only country which indicated it was prepared to make a 20% across-the-board reciprocal tariff reduction a basis for negotiations. Rey expected the scope of the Dillon round to become clearer next month.

4. He recalled that in Africa, all former AOT's except Guinea had expressed desire to retain link with EEC and had accredited ambassadors to the European communities, a disposition which he thought reflected lack of confidence in the UN. Helpful contacts were being developed between these new countries and the Six. In Europe, Greece would become an associated member before the end of the year.

5. Turning to the Six-Seven problem, Rey said commercial solutions were not favoured by the Commission. A settlement should take the form of adherence to Treaty of Rome. He emphasized that discussions between UK and EEC ministers and officials could not be regarded as negotiations. In his view, main difficulties for the EEC were related to: (1) the entry of a new senior member at a time of crucial decision, e.g., on agriculture, and (2) Commonwealth preferences and free entry into the UK market. While the EFTA and UK agricultural problems were manageable, it would be particularly difficult to formulate a solution safeguarding the integrity of both the Rome Treaty and the Commonwealth. The EEC Commission felt strongly that the UK should keep its Commonwealth ties for the benefit of the free world.

6. On the timing of a possible settlement, Rey expressed doubts that the UK Government could plunge into negotiations without some knowledge of the nature of the solutions that would emerge. He envisaged instead a round-table conference with the UK and the Six, beginning perhaps in two months' time. It would prepare a public report which would be available late in the fall. If the UK decided to join, negotiations could start in 1962 and possibly be carried well into 1963.

7. Questions and comments from Canadian officials were addressed mainly to agriculture, the AOT's and the UK's European problem.

8. They recalled Canadian concern over the terms of access for our agricultural exports to the EEC. Rey doubted that progress in the development of the CAP could be expected before the German elections. In view of French pressure, he thought that Germany would, however, move shortly after. He also thought that the CAP proposed by the Commission would eventually succeed and be less protectionist than the present various agricultural arrangements of the Six. The EEC Commission was less subject to political pressure than governments. But progress would be slow and the CAP would be the object of continuing consultations with other countries.

9. In answer to questions on the renegotiation of the AOT's association, Rey said that there was a strong school of thought in the Commission which regarded tariff preferences as out-dated. The French, however, considered that if the present system was scrapped, it might be impossible to replace it by another which would satisfy the former AOT's. Rey thought that some compromise would be necessary in view of United States criticism of preferences and expressed surprise that this issue was not being brought up in the context of the Dillon negotiations. He was pessimistic about the prospects for free trade in tropical products and raw materials and thought that United States proposals for the elimination of preferences would give rise to considerable difficulties.

10. We asked Rey what sort of terms for UK access to the EEC would in his view safeguard at the same time the principles of the Rome Treaty and Commonwealth interests. He replied that while the difficulties were clear, he knew of no answer. The problems first needed thorough study and the Six would have to develop common positions. It seemed to him, however, that the major issue was not that of UK preferences in other Commonwealth countries, but of the preferences the latter enjoyed in the UK market. Two extreme solutions had to be rejected, (1) the sharing of preferences, because of GATT, and (2) the complete elimination of preferences, because of its effects on the Commonwealth. Compromise solutions would thus have to be found, perhaps different ones for each commodity. The EEC Commission considered that the importance of the Commonwealth was essentially political, but realized that if its economic content were removed, its political fabric would be weakened. For that reason, it was prepared to compromise on the issue of Commonwealth preferences. (This, he emphasized, was a Commission view, not necessarily shared by all member governments.) Rey remarked that whether or not the UK joined the Common Market, the Commonwealth system of preferences would continue to be subject to erosion. The EEC had not created the present issue, but precipitated it. The difficulties inherent in the formulation of a CAP, by spilling over into the issue of the UK and Europe, were also aggravating it.

11. Canadian officials agreed that Commonwealth preferences in the UK raised more intractable problems than UK preferences in other Commonwealth countries. Recalling the importance the French had attached to the latter in the 1957 European Free Trade Area negotiations, they suggested that the EEC Commission might be well advised to disinterest itself from what might happen in the rest of the Commonwealth. It was difficult, for example, to envision the extension of these preferences to the EEC but against the United States. Any elimination of preferences, especially in Canada, might in fact be of chief benefit to the United States.

FRANCE

SECTION A

CONVERSATION ENTRE L'AMBASSADEUR EN FRANCE
ET LE PRÉSIDENT CHARLES DE GAULLE
CONVERSATION BETWEEN AMBASSADOR IN FRANCE
AND PRESIDENT CHARLES DE GAULLE

620.

H.C.G./Vol.10

*L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures*
*Ambassador in France
to Secretary of State for External Affairs*

TELEGRAM 771
CONFIDENTIAL. OPIMMEDIATE.

Paris, June 17, 1961

AUDIENCE WITH GENERAL DE GAULLE

Yesterday, the President appeared tired with deep black rings under his eyes but his equanimity in surveying the situation was as complete as usual.

President Kennedy's Visit

2. The best appreciation the General can give of any man is that he is responsible. He seemed happy to use the word in describing President Kennedy. He went on to say "Yes, he has great sense of responsibility. He sees where his responsibilities lie and he has the courage of facing them."

3. The General considers that we are noticing a great change in world affairs in the sense that the US are no repeat no longer "alone." For almost two decades they occupied a position of such eminence due to their power that their authority had become almost exclusive. Now they realise that this period is over and that they must base the future on solidarity with their partners. They are therefore becoming more cooperative and ready to consult their allies on issues of common interest. I could understand the President's satisfaction since this was exactly what he had been aiming at.

4. As an instance of the change the General mentioned the gloomy exposé made by President Kennedy on the Latin American situation and his request that France use her good relations with South America in order to improve conditions. He invited the French Government to send observers to a conference which is due to take place in Washington on South American affairs next summer. He hoped that as a result France would find a way to closer cooperation with us on that continent.

5. The General stated emphatically that between the USA and France there were no repeat no differences on all main world problems.

Berlin

6. I then asked whether they had discussed Berlin. "Yes and we are agreed to defend our position by all means. President Kennedy warned Khrushchev to that effect. There should be no repeat no doubt or mistake about our will to resist." I enquired whether the General really thought that there was a risk of conflict. He replied that he was not repeat not convinced of it. "For three years Khrushchev has been giving six months delays to the West. If he wanted a show-down he would certainly not repeat not fix a date. Surprise is still an essential element in war. There must be a reason for him to maintain the question open. Pressure from somewhere I suppose but I can't think he means business."

Nuclear Problems

7. I wanted to know whether the agreement above mentioned on world affairs also included nuclear problems. He replied that they had discussed utilization of nuclear weapons in case of emergency. But that was all. As far as French nuclear programme was concerned, it was progressing satisfactorily. France would have a few bombs and a means of delivery sometime next year, but of course it would take a long time before her arsenal could in any way compare with the existing ones.

Algeria

8. The General looked completely relaxed and confident in talking about recent developments in Evian and Algeria.¹ "Words, words this is what it is. They are petty agitators without any sense of reality, of government, of the future of Algeria. They can't even agree amongst themselves. One is inspired by Nasser, another by Moscow, another by Peking, another by Tito. All their contradictions cannot repeat not amount to a policy. Then, they put on the same gramophone record on generalities. If they have something to offer we are ready to resume the talks. But they have no repeat no control on realities. We control them. They cannot repeat not build Algeria. We can. We have invested, not repeat not counting the military and administration expenditures, more than 400 billions in 1960. No repeat no other country could do it. Certainly not repeat not Russia and not repeat not even the USA. The fact is that the FLN has been receiving little help from its supporters. Just enough to maintain a certain nuisance value. No repeat no Tunisian or Moroccan has died for Algeria. Then what if the FLN are unable to move, we will go ahead. More peaceful measures will be taken Algeria to restore normal life. We will ask Algerians within the country to form a government and grant independence. If they are interested in remaining in one way or another associated with France, we shall go on helping them. If not, repeat not they can do what they like. We don't need them. They can turn Communist if they wish. But we will keep under our control Algiers and Oran in order to protect our own people." It has just been announced that Mr. Joxe is leaving for Algeria.

[PIERRE] DUPUY

¹ Voir/See "Algeria: Negotiations Broken Off," *Globe and Mail*, June 17, 1961, p. 8.

SECTION B

RELATIONS CULTURELLES ENTRE LA FRANCE ET LE QUÉBEC
CULTURAL RELATIONS BETWEEN FRANCE AND QUEBEC

621.

DEA/6956-40

*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 4, 1961

FRENCH CONSULAR OFFICERS TO DEAL WITH
CULTURAL AFFAIRS IN MONTREAL AND QUEBEC CITY

The French Ambassador, on instructions, has raised with the Department a suggestion for establishing French Government officials in Montreal and Quebec City to deal with cultural affairs and cultural exchanges. When he was told that it would not be permissible to establish these officers as members of the French Embassy staff if they were to live and work outside the Ottawa area, Mr. Lacoste asked in what capacity they could be established in those cities. He was told that consideration might be given to the addition of consular officers in their Consulates-General in Montreal and Quebec City to deal specifically with cultural matters. In response to a further question he was told that we would probably not object if such additional officers were to deal only with cultural affairs and cultural exchanges in the respective cities even if, in practice, they were to take their orders direct from, and be responsible to, the Embassy in Ottawa rather than the respective Consulates-General.

2. Coming so soon after the establishment of a Quebec mission in Paris, these proposals by the French Government to increase its contacts with the Province of Quebec (essentially in the field of cultural affairs, of course) appear to force the pace of such Quebec-France relations to an extent where, in some quarters, political significance might be given to this move, particularly in view of the recent revival of separatist movements in the Province of Quebec.

3. We recognize that it might be difficult to refuse concurrence in the appointment of additional officers to deal with cultural affairs in both Montreal and Quebec City (the Federal authorities would not wish to be in a position where it could be argued that they were interfering with the development of closer relations in the cultural field between Quebec and France).

4. In the light of past French activities in dealing with French minority problems in other countries, there may be advantage, however, in taking some step to convey to the French authorities that their operations in this field will be watched carefully and that friendship with Canada is incompatible with any attempts to stimulate through cultural schemes activities which may have a negative effect on the development of our national unity.

5. If you agree, it might be useful for myself or Mr. Cadieux to discuss the matter with the French Ambassador to see whether a solution could not be found which would ensure that these appointments, while they contribute to closer cultural relations, do not, in fact, lead to difficulties in the broader political context.²

N.A. R[OBERTSON]

622.

DEA/6956-40

*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*

CONFIDENTIAL

[Ottawa], May 9, 1961

APPOINTMENT OF FRENCH COMMERCIAL OFFICERS
IN MONTREAL AND QUEBEC CITY

The French Ambassador called on me this afternoon on instructions to discuss the appointment of these officers. The French authorities work under the impression that commercial representatives in Montreal and Toronto were entitled to diplomatic privileges and they were wondering why it was not possible for us to make a similar arrangement for cultural attachés. The French Ambassador said that he would explain the situation, e.g. that commercial representatives in these cities are only entitled to consular privileges and that it is not proposed to give French cultural representatives a different status.

2. I took this opportunity, on a personal and confidential basis, to ask the French Ambassador whether he did not think that it might be advisable not to proceed with, or at least to delay, the appointment of the cultural officer in Quebec. I thought that so soon after the appointment of a Quebec representative in France, such a move might be misinterpreted in certain quarters. I stressed that this was not an official request, but merely an expression of some concern at the official level as to possible consequences. With the objective of developing cultural relations we were all in agreement, but some of us felt that there might be something to be said for making haste slowly.

3. The French Ambassador said that he had argued very strongly with his own foreign office against the Quebec appointment, indicating a strong preference for the appointment of a cultural officer in Toronto instead. Speaking very privately, he added that he had received word from the Secretary-General that the Minister was very keen about finding a suitable post for someone who had been a member of his Cabinet.

4. I asked the French Ambassador whether, in the light of our conversation, he might not find it possible to return to the charge. The Ambassador said that he would write personally to the Secretary-General, pointing out that there might be advantages in postponing the Quebec appointment.

² Note marginale :/Marginal note:
OK. H. G[reen] 5/5

5. I indicated to the French Ambassador that I was not inclined to consider the prospect of the Quebec appointment in a tragic fashion. It was just that some of the extremist groups in Quebec might be anxious to involve French representatives in their schemes and that for a short while it might perhaps be preferable not to provide them with such opportunities.

6. For convenient reference our memorandum on this subject to the Minister (dated May 4) is attached.³

M. C[ADIEUX]

623.

DEA/6956-40

*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*

CONFIDENTIAL

[Ottawa], May 16, 1961

APPOINTMENT OF FRENCH CULTURAL OFFICERS
IN MONTREAL AND QUEBEC

I had a few words last night with the French Ambassador on this subject. He said that I would be interested to learn that he had discussed the matter with the Hon. Lapalme, who expressed the same views that we had: he thought that a cultural officer in Montreal made sense. He could not see the need for another one in Quebec. At least, not now.

2. The French Ambassador expressed regret that he might not be able to persuade his colleagues in Paris not to proceed with both appointments.

3. In the circumstances, do you think that it would be wise for me to send a personal word to Mr. Dupuy asking him to discuss the question informally with Basdevant, the Director of Cultural Relations, who is apparently pushing this scheme?

M. CADIEUX

624.

DEA/6956-40

*L'ambassadeur en France
au secrétaire d'État aux Affaires extérieures*

*Ambassador in France
to Secretary of State for External Affairs*

TELEGRAM 694

Paris, June 3, 1961

CONFIDENTIAL. NO CIRCULATION. OPIMMEDIATE.

Following for Cadieux from Dupuy.

I had a long talk with our friend Basdevant this morning along the lines of your letters of May 16† and 24.†

³ Note marginale :/Marginal note:
Noted. N.A. R[obertson]

2. He explained that when General de Gaulle went to Canada last year⁴ he recommended to his Foreign Minister that more should be done to facilitate cultural relations between France and the Province of Quebec.⁵ A decision to have two cultural officers stationed one in Montreal and the other in Quebec was taken long before the French Government were informed of the Quebec Government's intention of sending a permanent delegation to Paris.

3. You know Basdevant well enough to imagine that he fully understands all the implications involved. This is why the Quai d'Orsay accepted so readily that French cultural officers should enjoy consular instead of diplomatic status.

4. The plan now about to be implemented is as follows: (a) a young professor has already been appointed to join the Quebec Consulate in July next, (b) the assistant to the French Cultural Attaché in Ottawa will be transferred to the Montreal Consulate in August. At a later stage it is also intended to appoint a cultural officer in Toronto.

5. It is through mere coincidence therefore that these appointments will be taking place at the same period as the Quebec delegation is installed in Paris. If the sending of the cultural officers were to be delayed it would mean explaining this situation to General de Gaulle himself.⁶ If you wish me to do so, I shall not repeat not fail to follow the department's instructions, but I am not repeat not personally convinced that we should insist on postponement at this stage.

6. Basdevant has given me every assurance that publicity would be avoided concerning the Quebec appointment and that his instructions would guaranty maximum discretion.⁷

[PIERRE] DUPUY

3^e PARTIE/PART 3

⁴ Voir Volume 27, chapitre V, partie 2(a).

See Volume 27, Chapter V, Part 2(a).

⁵ Note marginale :/Marginal note:
Canada? [Marcel Cadieux]

⁶ Note marginale :/Marginal note:

It is not the first time that de Gaulle is used as a scarecrow. M. C[adieux]

⁷ Notes marginales :/Marginal notes:

Mr. Robertson

1. We could not suggest representations to de Gaulle.

1. I think that we have done our best. Perhaps we might urge Toronto appointment? M. C[adieux]
I agree. I don't think this can be carried further. [N.A.] R[obertson]

IRELANDE
IRELAND

SECTION A

VISITE DU PREMIER MINISTRE À DUBLIN,
LE 5 AU 7 MARS 1961
VISIT OF PRIME MINISTER TO DUBLIN,
MARCH 5-7, 1961

624.

DEA/12794-A-40

Note

Memorandum

Dublin, March 6, 1961

PRIME MINISTER'S VISIT TO DUBLIN: MR. DIEFENBAKER'S CONVERSATIONS
WITH MR. LEMASS AT THE TAOISEACH'S OFFICE

Also Present:

Mr. Aiken and Mr. Rive.

Mr. Lemass and Mr. Diefenbaker spent a little time talking about the difficulties of the situation in the Congo. Mr. Lemass reported that the latest news on the radio just before the meeting was that of the nine Canadians presumed to have been taken prisoners in Matadi, nine had returned to their unit and one was missing. He remarked that this was probably not so much "Congolese arithmetic" as that information about the Congo was never very accurate.

Mr. Aiken mentioned that he understood Nkrumah would be on his way to New York later this week to put forward the proposal that the United Nations forces in Africa should be provided only by black African nations. Mr. Diefenbaker expressed himself strongly against any such proposal on the grounds that it is against the principles of the United Nations. Mr. Aiken agreed. Mr. Lemass did not take part in this exchange.

After some further brief but discursive remarks about Nkrumah with reference to Mr. Herter's statement last year implying that Nkrumah is a Communist, Mr. Aiken spoke of the tendency of Washington to "see the red lining," and of the danger of presuming that western democracy, as we know it in Canada and Ireland, can be transplanted to a country such as Ghana or any other backward and undeveloped country just arriving at independence.

Mr. Lemass turned to the economic field and said that a fully free enterprise system was impossible, that there had to be state enterprise on a much larger scale than here, and assistance for capital expenditures, not dependent on the private investor.

The conversation then went on to a discussion of the importance of foreign capital investment in Canada and in Ireland. The Prime Minister drew attention to the enormous quantities of investment capital entering Canada from the United States which was responsible, or at least had made it possible, for Canada to maintain its economy despite a very large import surplus. Mr. Lemass agreed. Canadian balance of payment situation, Mr. Diefenbaker said, had shown a deficit of from 300 to 700 million dollars each year since 1952. (The writer is not sure if these are the figures given by Mr. Diefenbaker.)

Mr. Diefenbaker mentioned that the importance of American capital, and American branch companies in Canada, had long been a cause of worry to the Canadian Government and that finally an Act had been put on the statute books to ensure some degree of independence of the

parent company, to the subsidiary, and to ensure that Canadians would be given the opportunity to buy some of the equity stock of such subsidiary companies.

Mr. Lemass said that in some ways this situation is paralleled in Ireland but not entirely, first, because Ireland is at the moment struggling to get capital investment from abroad and, second, because of what investments were being made from abroad were being made by a number of countries. He mentioned the two Canadian mining companies.

Reference was made to movement of trade between Ireland and Canada and Mr. Diefenbaker referred to the statistics which show in a great excess of exports from Canada to Ireland over exports from Ireland to Canada. Mr. Lemass mentioned that wheat is a large item on the import side whenever Ireland has a crop failure, and that on the export side, Ireland is developing some new exports in a small way. Mr. Rive mentioned chocolate crumb.

Mr. Diefenbaker asked about Ireland's relations to the Six and Seven. Mr. Lemass said that Ireland's problem was not so much the Six and Seven but what will be Great Britain's relations to the two. From two-thirds to three-quarters of Ireland's trade, both import and export alike, is with Great Britain. As things are at present, she has to look to the British market for any improvement of her exports. Her basic products are from the farm; cattle, meat and dairy products. Their one important outlet is Britain.

Ireland, Mr. Lemass said, has some advantage in the British market because of the Ottawa agreements of 1932, renewed in 1938 and 1948. What he was concerned about was whether these might be cut as a result of British concessions to get into the Common Market. He repeated that whatever Britain did Ireland would have to follow.

Mr. Lemass said he did not like the suggestion that the British might come into the Common Market but exclude agriculture. He thought this might be the worst possible situation for Ireland in that they would lose their preferences in the British market and get no compensatory advantages in the Common Market. On the other hand, if EFTA became a continuing reality the Irish situation would not be improved because the British would be committed to extending the preferences to the other members of the Seven. Also, both groups were rushing to cut their tariffs and, at the present stage of infant and developing industries, this would have serious disadvantages for Ireland. He implied that she had to have some special concessions whatever might be the outcome. Six, Seven or status quo.

Mr. Diefenbaker referred to the *Daily Express* story in this morning's paper (March 6) that "he would fight for the maintenance of preferences" which he had not said, but said that nonetheless he was naturally concerned in as favourable an outcome as possible for Canadian position.

Mr. Lemass expressed the opinion that the British approach to the Six was "half-hearted" and not likely to succeed at this time. He thought the half-heartedness was because Mr. Macmillan and some of his Ministers were opposed. The Board of Trade was against an approach to the Six. Mr. Macmillan was making the approach because he felt pressure from sections of the public and from some manufacturers. Mr. Lemass said and Mr. Diefenbaker agreed that the British might have in mind that Adenauer and de Gaulle could not last forever.

In the course of the discussion Mr. Lemass spoke of the subsidizing of export butter in Ireland and of the difficulties resulting. Mr. Diefenbaker was able to cap this by reference to the problems raised by price supports on farm products in Canada.

Reference was made to Japanese competition, especially of cotton goods in Canada and of cotton and other goods in Ireland, and of the very serious competition from China from or through Hong Kong.

Mr. Lemass explained the encouragement given to the growing of wheat in Ireland by the system of setting a price which the millers had to pay for wheat and explained the paradox that

when the wheat crop fails, wheat is cheaper to the millers so the cost of flour and bread goes down.

At the conclusion of the discussion, Mr. Lemass presented Mr. Diefenbaker with two volumes of D'Arcy McGee's books, his *History of Ireland* and a collection of poems.

CHAPITRE VI/CHAPTER VI
EUROPE DE L'EST ET L'UNION
DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES
EASTERN EUROPE AND THE UNION OF
SOVIET SOCIALIST REPUBLICS

PREMIÈRE PARTIE/PART I
UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES
UNION OF SOVIET SOCIALIST REPUBLICS

SECTION A
PÊCHE AU FLÉTAN DU PACIFIQUE
PACIFIC HALIBUT FISHERY

626.

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. 316-61
CONFIDENTIAL

[Ottawa], August 23, 1961

SOVIET FISHING ACTIVITIES IN THE PACIFIC OCEAN

For approximately two years trawlers of the Soviet fishing fleet have been operating in the Eastern Bering Sea. So far these operations have been confined to fishing for groundfish and King Crab. However, at the Seventh Annual Meeting of the International North Pacific Fisheries Commission, which was held at Vancouver in November 1960, the official Soviet observer, Mr. Boris Kulikov, made the following public statement:

“We do not specially fish for halibut in this area and halibut occurs in our catches only as individual specimens and serves as a sort of bonus for fishermen. It is hard, therefore, to calculate exactly how many specimens are caught in the trawl nets of our fishermen. I shall make no attempt, however, to hide our growing interest in this particular fish, or to rule out the possibility of starting experimental fishing for halibut in the near future for exploring the existing situation.

“The Soviet fishing industry is certainly interested in the expansion of fishing in the Pacific Ocean. We cannot separate our interests, however, from those of other countries and are always ready to co-operate.”

This statement has been interpreted to mean that the Soviet fleet may commence operations south of the Aleutian Chain this year and has caused considerable apprehension among the Pacific halibut fishermen of the United States and Canada.

The halibut fishery in the North Eastern Pacific Ocean has been developed by Canada and the United States working through the International Pacific Halibut Commission in accordance with a convention first negotiated in 1923. The fishery is under strict management with annual quotas of halibut which are always taken by Canadian and United States fishermen, using set line gear. (Trawl fishing by Canadian and United States fishermen was prohibited many years ago because it is an unselective method.)

After the Second World War, Japanese fishing fleets threatened to extend their fishing operations to the Eastern Pacific. Negotiations led to the signing in 1952 by Japan, United States and Canada of the International Convention for the High Seas Fisheries of the North Pacific Ocean. One of the main purposes of this Convention was to reserve the harvesting of fully utilized resources of the North Pacific Ocean and the Bering Sea to those nations which had contributed at great cost to the development and preservation of the resources. Under this Convention, Japan agreed, among other things, to abstain from fishing halibut in the Convention area off the coasts of Canada and the United States. This Convention is terminable by 12 months notice in 1963 and it seems very likely that Japan will demand its re-negotiation at that time. Moreover, if the Soviet Union were to enter the halibut fishery, Japan has the right, under the International Convention for the High Seas Fisheries of the North Pacific Ocean, to request re-consideration of its agreement to abstain from fishing halibut in the area.

The Soviet Union for its part has consistently opposed the principle of abstention in any of the world fisheries, yet the unrestricted expansion of Soviet fishing activities in the North Pacific might well jeopardize the continuing success of the joint efforts by Canada and the United States which have restored the size of the halibut stocks to levels which approximate the maximum sustainable yield. Therefore, it may well be necessary to include the U.S.S.R. in any future international arrangements for the regulation of the Pacific fisheries.

On March 14, 1961, Cabinet authorized an expenditure of \$200,000 to cover one-half the cost of a special investigation by the International Pacific Halibut Commission of the effects of the use of trawlers on the halibut fishery in the area south of the Aleutian Islands. This study is expected to be completed early next year and should provide the additional scientific knowledge required for any future negotiations concerning the possibility of Soviet (and Japanese) participation in arrangements which would provide the maximum protection for Canadian and United States interests in this fishery.

Although it would be undesirable to initiate negotiations with the Soviet Union before the conclusion of this study, it is considered that the statement of Soviet interest and intent concerning expansion of its fishing activities in the North Pacific should not go unchallenged for the following reasons:

(a) If no objection is made by Canada and the United States and the Soviet Union actually sends its fishing fleets into the North Eastern Pacific, it will be more difficult to convince the Soviet Union that it should subsequently restrict its activities. In fact, our silence might encourage the Soviet Union to participate in this halibut fishery.

(b) The fishing industry on the Pacific Coast of Canada is aware of the Soviet fishing activities in the Bering Sea and of the public statement made by the Soviet observer in Vancouver last year. If Soviet trawlers appear in halibut fishing grounds south of the Aleutian Chain this year, the Canadian Government might be criticized by the fishing industry on the Pacific coast of Canada for not having made any attempt to prevent such action following the announcement of Soviet intentions.

The United States Government is proposing to send a Note to the Soviet Government requesting that Soviet trawling operations should be restricted to areas other than those inhabited by halibut stocks which are now under conservation management of the Canada-United States International Pacific Halibut Commission. It has been suggested that if Canada agrees to make similar representations the Canadian Note should be delivered shortly after delivery of the United States Note.

The Soviet Union not being a party to the Tripartite International Convention for the Fisheries of the North Pacific Ocean, it is not possible for Canada and the United States to insist that the U.S.S.R. should abstain from fishing for halibut in the high seas. Consequently, the Soviet Union may reject an appeal to abstain from fishing halibut in the area concerned or even attempt to use the Notes as a pretext for suggesting early negotiations to govern its participation in the fisheries. Nevertheless, these risks are preferable for the reasons given above, to the risks involved in ignoring the stated intentions of the Soviet Union.

I therefore recommend, with the concurrence of the Minister of Fisheries, that:

(1) a Note based on the attached draft should be delivered by the Canadian Ambassador in Moscow to the Soviet Government at an early date, the timing to be determined in consultation with the United States authorities;

(2) in view of the urgency of the matter, a copy of the Note be transmitted to the Soviet Minister of Fisheries under a personal letter from the Deputy Minister of Fisheries for Canada as soon as the original has been delivered; and,

(3) future courses of action be considered in the light of the Soviet response to the Canadian and United States Notes.

H.C. GREEN

I concur
J. ANGUS MACLEAN
Minister of Fisheries

[PIÈCE JOINTE/ENCLOSURE]

*Projet de note de l'ambassadeur en Union soviétique
pour le ministre des Affaires étrangères de l'Union soviétique*

*Draft Note from Ambassador in Soviet Union
to Foreign Minister of the Soviet Union*

CONFIDENTIAL

Excellency:

On the instructions of my Government I have the honour to refer to a statement made some months ago by an official of the Soviet Government indicating a growing interest in the halibut fisheries of the Pacific Ocean and suggesting that experimental fishing for this species by Soviet fishing fleets might commence in the near future. I understand that he also stated in this connection that the U.S.S.R. could not separate its interests from those of other countries and is always ready to co-operate.

This statement is of considerable interest to the Canadian Government because of the long standing importance to Canadian fishermen of the Pacific halibut fishery. As the Soviet Government is aware, the Governments of Canada and the United States of America have, in accordance with a Convention first negotiated in 1923, supported an extensive conservation programme designed to develop the stocks of halibut in the territorial waters and high seas off the western coasts of Canada and the United States of America. The two Governments working jointly through the International Pacific Halibut Commission, by extensive and costly research and strict regulation, have not only arrested a decline in the size of the halibut stocks in the Convention areas but have restored them to levels which approximate the maximum sustainable yield.

The effectiveness of the activities of the International Pacific Halibut Commission in the field of conserving marine resources has been widely recognized and its success is due to continuous research and strict regulation of the operations of Canadian and United States fishermen. Such regulation includes the establishment of annual quotas, the designation of opening and closing dates, and the prohibition of trawler fishing methods. In actual fact, the present fishing effort by Canadian and United States fishermen with set line gear is such that the annual quota, established by the International Pacific Halibut Commission for conservation purposes, is always taken. Available evidence indicates that new entrants into this fishery could not increase the total yield without impairing the conservation program which is absolutely essential to its development and maintenance. In addition, a similar effect is feared if trawling operations for other species of groundfish were to be undertaken in areas where there are large stocks of halibut.

This resource is of significant economic importance to the Pacific coastal communities of Canada. Canadian halibut fishermen consider that they have a well established traditional interest in the fisheries because of the strict limitations which they have accepted for many years under the conservation programme and because of the substantial financial contribution of the Canadian Government to international programmes of research and management. They would therefore view with concern the entry into the halibut fisheries of fishermen from third countries.

The Government of Canada is aware that the Government of the U.S.S.R. is sympathetic to the objectives of conservation programmes for marine resources. It is hoped, therefore, that if the Soviet Government decides to proceed with a further expansion of its trawl fishing operations in the Pacific Ocean or with experimental fishing for halibut, the Soviet Government will take into account the considerations outlined above. Accordingly, the Canadian Government hopes that any such expansion of Soviet fishing operations will take place in areas other than those in which conservation measures are being undertaken by the International Pacific Halibut Commission.

Accept, Sir, the renewed assurances of my highest consideration.¹

[ARNOLD SMITH]

¹ Approuvé par le Cabinet le 14 septembre 1961. /Approved by Cabinet on September 14, 1961.

627.

DEA/12386-2-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Soviet Union
to Secretary of State for External Affairs*

TELEGRAM 667

Moscow, October 3, 1961

CONFIDENTIAL

Reference: Your Tel X-100 Sep 20.†

SOVIET FISHING ACTIVITIES IN THE PACIFIC OCEAN

Your reference telegram reached us September 26 and USA Embassy received its instructions September 29. USA note will be delivered by Minister of USA Embassy to Dobrynin, Head of American Division, on October 3. I have asked for early appointment to deliver note to Deputy Foreign Minister Sobolev.

ARNOLD SMITH

628.

DEA/12386-2-40

*L'ambassadeur en Union soviétique
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Soviet Union
to Secretary of State for External Affairs*

TELEGRAM 677

Moscow, October 5, 1961

CONFIDENTIAL. PRIORITY.

Reference: My Tel 667 Oct 3 and Your Tel X-100 Sep 20.

Repeat for Information: Washington from Ottawa.

SOVIET FISHING ACTIVITY IN PACIFIC OCEAN

On October 4 I handed to Deputy Foreign Minister Sobolev a Note addressed to Acting Foreign Minister based on paragraph 3 of your reference telegram.

2. Sobolev said note would be examined by appropriate Soviet authorities and we would receive answer in due course. He enquired "as Dobrynin had done with (McSwebin?)" about name of Soviet official mentioned in first paragraph of note and when he had made statement and I told him.²

ARNOLD SMITH

² Notes marginales :/Marginal notes:

Oct. 5/61. This information communicated to D/M of Fisheries, Mr. Clark.

Oct. 6/61. Telephoned this information to Mr. Ozere who will assist Mr. Clark in preparation of a personal letter to Soviet Minister of Fisheries enclosing a copy of the note presented by Ambassador and requesting cooperation. This action was authorized by Cabinet. [Auteur inconnu/Author unknown]

SECTION B
 RAPATRIEMENT
 REPATRIATION

629.

DEA/232-K-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*

SECRET

Ottawa, May 15, 1961

Some months ago I submitted to you a memorandum regarding the entry to Canada and possible representations to the Soviet Government on behalf of the 125 citizens and former residents of Canada who had returned to the U.S.S.R. for permanent residence, who had become disillusioned with the Communist way of life, and who now wished to return to this country. In the memorandum, I asked if you agreed that the Government should assist not only all-Canadian families in their efforts to return to Canada but should also make representations on behalf of families some of whose members might be listed on R.C.M.P. files as having had adverse security records while in Canada, on the grounds that, having become genuinely disillusioned with Communism, they would have a healthy influence on other Canadian residents with pro-Soviet inclinations. After consideration of the matter and some discussion of the questions involved with the Head of the Consular Division, Mr. Gilmour, you expressed disapproval of the suggestion that the Canadian Government make representations on behalf of persons who had adverse security records and suggested that the Minister of Justice might be consulted about the problem.³

2. Subsequently, after there had been opportunity to analyse the various categories of persons affected, a meeting was held to discuss the matter between representatives of the R.C.M.P., the Department of Citizenship and Immigration, and this Department. At that meeting agreement was reached that the following recommendations should be submitted to the Ministers of the three Departments for their approval:

(a) *All-Canadian Families without Adverse Security Records, and Families with Canadian and Non-Canadian Members All without Adverse Security Records.*

Representations to the Soviet Government would be made on behalf of persons or families in these groups provided it has first been ascertained from the Department of Citizenship and Immigration that the non-Canadian members are readmissible to Canada as immigrants sponsored by the Canadian members of the family.

(b) *All-Canadian Families some Members of which have Adverse Security Records and Families with Canadian and Non-Canadian Members some Members of which have Adverse Security Records.*

The families in these groups would be kept together insofar as possible (where very young children are involved) and the question whether representations on behalf of the families should or should not be made would depend on an assessment of the security risk involved in readmitting such families to Canada.

³ Voir/See Volume 27, documents 508, 509.

It is recommended that a Committee be established to examine the security records of the persons with adverse security reports in order to determine the degree of seriousness of the adverse record. The Committee would comprise representatives of the R.C.M.P., the Department of Citizenship and Immigration, and External Affairs. The Committee would submit to the three Ministers concerned a summary of the security record in each case examined, with a recommendation whether representations on behalf of the family involved would be justified and whether the person with the adverse record could be considered as meeting the security requirements for entry to Canada.

3. I should be glad to know if these recommendations meet with your approval. Dr. Davidson and Commissioner Harvison are sending submissions on similar lines to the Minister of Citizenship and Immigration and to the Minister of Justice.⁴

N.A. R[OBERTSON]

630.

DEA/232-K-3-40

*Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassade en Union soviétique*

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

LETTER NO. C-885

Ottawa, November 30, 1961

SECRET

REPATRIATES TO THE SOVIET UNION WHO WISH TO RETURN
TO CANADA – REPRESENTATIONS

As you doubtless know, we were stalled for several years on the policy to be applied in making representations on behalf of persons, both Canadian and non-Canadian, who had left Canada to take up residence in the Soviet Union, and who now wish to return to Canada. Disagreement centered on the vexed question of whether representations should be made on behalf of those with adverse security records. In the absence of any agreement at the official level the matter was referred to the Ministers of Citizenship and Immigration, External Affairs and Justice, who, in effect, ruled that representations should not be made on behalf of persons with major adverse security records, but could be made on behalf of those with only minor ones, provided, of course, that in the latter case, the individual concerned was admissible under the Immigration Act. There was also the further proviso that, before any definitive action on making representations in these cases was taken, the recommendations in each individual case must be submitted to the three Ministers concerned. In order to decide on which adverse security records were major, and which were minor, an interdepartmental committee was established, composed of members of the three departments concerned.

⁴ Note marginale :/Marginal note:
OK. H.C. G[reen] 27/5

2. The Committee has now met on several occasions and has succeeded in disposing of all, or virtually all, current cases. Agreed recommendations have been prepared covering individuals with adverse security records, or families one or more members of which have adverse security records. In spite of the different approaches of the members of the Committee, a large measure of unanimity was achieved. In one respect, however, agreement was impossible to obtain. This was in the frequently recurring case of the person who is of age, and a Canadian citizen with no adverse security record, but whose parent or parents had a major adverse security record. The minority view was that representations should not be made because of the bad record of the parent or parents and because the individual concerned had been raised in a Communist atmosphere. The majority held the view that it was unfair to condemn the children out of hand and without direct evidence because of the beliefs and actions of the parents, and argued that, where there is no adverse security record for an individual, the question of not making representations should not arise unless the individual concerned is not admissible under the Immigration Act or for some other good reason.

3. With the current phase of the work of the Committee completed as far as possible, five tentative lists have been drawn up, and copies of these are attached.† These lists are self-explanatory. Subject to your views, and to Ministerial approval, we would be prepared to make representations on behalf of those whose names appear on "A" and "B", but not on behalf of those whose names appear on "C", or "D" or, for the time being, "E". In the case of Miss [nom omis/name omitted], whose name appears on "C", it is arguable, if only for the sake of consistency, that representations would be justified, but there would be nothing to stop the Committee reviewing her case again if the necessity arose.

4. Our lists being almost inevitably tentative and incomplete, we would now like you to peruse your files and suggest to us additions or deletions of names. For example, you may feel that, if a repatriate has not approached you within the past, say, two or three years, he may be considered to have adjusted himself to life in the Soviet Union and be no longer desirous of returning to Canada. A somewhat extreme example of this may be the case of Mrs. [nom omis/name omitted], whose name appears on "E" and who, according to our file, has not been heard from for nearly fifteen years. She may, of course, be dead. We would also like you to give us your views on the efficacy and desirability of collective representations and, if you think that such representations might be useful, on their timing.⁵

D.M. CORNETT
for Under-Secretary of State
for External Affairs

⁵ Les noms ont été omis, conformément à la Loi sur la protection des renseignements.
The names have been omitted in accordance with the provisions of the Privacy Act.

2^e PARTIE/PART 2
 YUGOSLAVIE
 YUGOSLAVIA

SECTION A

VISITE DU SECRÉTAIRE D'ÉTAT AUX AFFAIRES ÉTRANGÈRES DE LA YUGOSLAVIE
 À OTTAWA, LE 27 AU 28 MARS 1961
 VISIT OF SECRETARY OF STATE FOR FOREIGN AFFAIRS OF YUGOSLAVIA
 TO OTTAWA, MARCH 27-28, 1961

631.

DEA/10277-40

*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 222

New York, February 3, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 221 Feb 3.†

PROJECTED VISIT OF THE SECRETARY OF STATE FOR FOREIGN AFFAIRS
 OF YUGOSLAVIA TO CANADA

During the course of his call on me today, the Yugoslav Permanent Representative stated that he had received instructions from the Secretary of State for Foreign Affairs, Popovic, to approach me with regard to the possibility of a visit by the Secretary of State to Canada. The Ambassador said that Popovic would be attending the resumed session of the UN, that he would very much like during the course of that session to take the opportunity to pay a visit to Ottawa and to have further conversations there with the Minister. The Ambassador emphasized the importance which the Yugoslav Government attached to close and frank inter-changes of view with the Canadian authorities. He considered that it would be particularly useful to discuss with us some of the outstanding issues at the forthcoming General Assembly, particularly with regard to disarmament, where he thought that Yugoslav views were close to our own in their emphasis on the need for the uncommitted countries to play a prominent role in facilitating disarmament negotiations and to associate the UN on a continuing basis with any further negotiations on disarmament.

2. In response to his request I told the Ambassador that I would be glad to transmit to you his suggestions for a visit by the Secretary of State Popovic to Ottawa.

632.

DEA/10277-40

*L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Yugoslavia
to Secretary of State for External Affairs*

TELEGRAM 45

Belgrade, February 9, 1961

CONFIDENTIAL. OPIMMEDIATE from Geneva.

Reference: Permis New York Tel 222 Feb 3 to Ottawa.

VISIT OF YUGOSLAV SECRETARY OF STATE
FOR FOREIGN AFFAIRS TO CANADA

I alerted you to possibility of a visit by Popovic (My letter January 23[†] to Mr. Davis) but expected it would be requested less directly than this. Apart from mention by Milatovic of possible private visit on which I did not repeat not comment question has never been raised with me here.

2. In circumstances I think a refusal would have an unfortunate effect on our relations with Yugoslavs. On the other hand a visit by Popovic in my opinion would have following advantages apart from general consideration of improving political consultation which has proved quite fruitful:

(a) although Yugoslavs voted with non-committed group against our disarmament resolution they were clearly intrigued by our attempt to meet wishes of non-committed group and to associate it with future disarmament negotiations. It is Yugoslavia and India which determine policy of this group on disarmament. It is possible that we would be able to modify their policy as a result of a visit by Popovic to Ottawa though I would not repeat not be too optimistic on this score.

(b) Yugoslavs are entering a new phase of their policy of neutrality. Their economic policy is becoming increasingly westernized and they apparently feel need to counter this by following a Soviet lead in foreign policy and their influence on African countries and particularly the UAR is considerable. Anything we can do at this time to keep Yugoslav policy neutral would be advantageous not repeat not only with regard to this part of the world but also non-committed countries of Africa and Asia.⁶

[R.A.D.] FORD

⁶ Note marginale :/Marginal note:

Invitation already issued (tel S-42 to Bgrad). [Auteur inconnu/Author unknown]

633.

DEA/10277-40

*L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Yugoslavia
to Secretary of State for External Affairs*

TELEGRAM 58
SECRET. OPIMMEDIATE from Geneva.

Belgrade, February 16, 1961

YUGOSLAV FOREIGN POLICY

1. I was told today in strict confidence by USA Ambassador Rankin that in his farewell call on Tito the latter told him that an exchange of visits between Soviet Foreign Minister Gromyko and Yugoslav Secretary of State for Foreign Affairs Koca Popovic had been arranged in principle for this spring. Later Popovic told Rankin initiative had come from Russians and that Yugoslavs were reluctant to agree. He implied dates had not repeat not been fixed. He added Russians were always trying either to force or entice Yugoslavia back into Soviet bloc.

2. At the same time Popovic has informed Americans that he is going to visit Yugoslav Ambassador in Washington during his stay at UN and would like to be received by President Kennedy.

3. In view of this information I told Ambassador in confidence that Popovic had expressed a desire to visit Ottawa and that we had agreed in principle. It would appear that Popovic does not want to visit Moscow, if in fact this is arranged, without comparable Western visits to Ottawa and Washington.

[R.A.D.] FORD

634.

DEA/10277-40

*L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Yugoslavia
to Secretary of State for External Affairs*

TELEGRAM 67
CONFIDENTIAL. OPIMMEDIATE from Geneva.
Reference: My Tel 61 Feb 20.†

Belgrade, February 24, 1961

VISIT OF POPOVIC

1. Head of Fourth Political Department Primozic has told me that they supposed that conversations in Ottawa between Mr. Popovic and Mr. Green could cover: general review of international affairs; disarmament; Congo, Laos; economic developments in Europe i.e. attitude to EFTA etc.; the colonial problem; the role of UN. He suggested some time might be devoted to bilateral relations but thought trade might be omitted in view of thorough discussions of this subject at the time of Komar's visit. But he admitted this would leave little to discuss under this heading except possibly increased exchanges of views on political matters and cooperation in UN.

2. Promozic also asked if Popovic would be received by Prime Minister to which I replied that I had not repeat not yet received word from you about details of visit. In view of very great importance Yugoslavs attached to this in connection with Komar's visit I hope it will be possible for Prime Minister to see Popovic even if only for a few minutes.

[R.A.D.] FORD

635.

DEA/12850-Y-2-1-40

*Note du chef de la Direction européenne
pour la Direction du protocole*

*Memorandum from Head, European Division,
to Protocol Division*

CONFIDENTIAL

[Ottawa], February 28, 1961

POPOVIC VISIT

During an informal conversation today we asked the Secretary of the Yugoslav Embassy his views on the possible reaction of the Canadian-Yugoslav community to the Popovic visit. He said they had given some thought to this and were confident that since the Foreign Minister would visit only Ottawa there would be no difficulty especially if there was not too much advance notice of the visit. He said that if Popovic were to visit Toronto the Serbian émigré organization there might make trouble, and he recalled the demonstrations which took place last fall at a film showing given by their Consul General.

2. Velasevic went on to discuss the public relations side of the visit expressing their hope that considerable attention would be paid to Mr. Popovic by the Canadian press. He said this in the context of their hope to make as much as possible out of the visit in terms of Canadian-Yugoslav relations. We mentioned the provision in the draft programme for a press conference or interview and he suggested also there might be a television interview, although he agreed that this might be difficult because of language. He said the Embassy might have Mr. Ristic, the Deputy Chief of the Yugoslav Information Centre in New York who was formerly posted in Ottawa, come for the visit to deal with press relations.⁷

H.F. DAVIS

636.

DEA/10277-40

*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, 1961

POPOVIC VISIT

We learned late yesterday that the "Canadian Serbian National Anti-Communist Committee" will hold a "great Serbian anti-communist manifestation and entertainment" in Toronto on Saturday evening, March 11. The announced aim of the event is "to show

⁷ Note marginale :/Marginal note:

P. speaks perfect French – so he could appear on the French network. [Henry F.] D[avis]

solidarity against communists in general ... and against Tito's official representatives in Canada and their agents ... and also to draw it to the attention of the Canadian public." It appears that this is the same Committee which organized demonstrations in front of the Yugoslav Consulate General in Toronto on the Yugoslav national day, November 29, last year. Since the organizers of this meeting could, if they wished, use the occasion to make a public attack on Mr. Popovic or on his forthcoming visit to Ottawa, if they were to know about it, we considered recommending the postponement of the public announcement of the visit which is scheduled to be made tomorrow. However, in view of the fact that we had already asked for one postponement for administrative reasons, and because any further postponement would be basically in the Yugoslav interest, we sought the views of the Yugoslav Ambassador informally on the subject. His reaction was that as the arrangements for the press releases were already confirmed, he was not disposed to recommend any change just because of the activities of a small extremist émigré group. We did not therefore propose any change in the arrangements.⁸

N.A. R[OBERTSON]

637.

DEA/10277-40

*L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures
Ambassador in Yugoslavia
to Secretary of State for External Affairs*

DESPATCH NO. 233

Belgrade, March 14, 1961

CONFIDENTIAL

VISIT OF YUGOSLAV FOREIGN MINISTER TO CANADA
AND POSSIBLE VISIT TO THE USSR

The other day when I was repaying the visit of the new Soviet Ambassador I told him that the Yugoslav Foreign Minister, Koca Popovic, would be making a visit to Ottawa towards the end of March. He looked quite taken aback but quickly recovered and kept saying that that was good. Anything that contributed to peaceful co-existence was good. I then asked him if dates had been fixed for the exchange of visits between Mr. Popovic and Mr. Gromyko. Again he looked somewhat taken aback but at once said that no dates had been arranged that he knew of. He added that the Foreign Ministers were in New York and if they wished to agree on the details of an exchange of visits, which remained at the present time only an agreement in principle, then presumably they could do so. The United States Ambassador, incidentally, tells me that he believes that Mr. Popovic will not now visit Moscow in view of the deterioration of relations between the USSR and Yugoslavia.

2. The Polish Ambassador reproached me rather indignantly at the Danish national day reception on Saturday with having kept the visit of Koca Popovic so secret. He gave the impression that it came as a complete surprise and that there was some sinister reason for our having prevented any news of it from getting out. I told him that our Government happened to work in a rather quiet way and that we saw no particular reason for advancing news beforehand.

R.A.D. FORD

⁸ Note marginale :/Marginal note:
OK. H.C. G[reen]

638.

DEA/10277-40

*Projet de note du sous-secrétaire d'État adjoint aux Affaires extérieures
pour le secrétaire d'État aux Affaires extérieures*

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

CONFIDENTIAL

Ottawa, March 23, 1961

VISIT OF YUGOSLAV FOREIGN MINISTER AND U.N.

Your talks with Foreign Minister Koca Popovic will no doubt be concerned to a large extent with U.N. matters in which Canada and Yugoslavia have been more apt to see eye to eye than on other aspects of international relations. This is perhaps mainly due to the fact that since their quarrel with the Russians the Yugoslavs have leaned towards the U.N. for a good deal of their support as well as to the neutral countries in the Afro-Asian and Latin American blocs.

It is against this background the Yugoslav Ambassador, after visiting his Foreign Minister in New York to make preparations for the Ottawa visit, went out of his way on his return to Ottawa, to stress to the Department Yugoslavia's concern about the current cold war atmosphere in New York and to Soviet responsibilities for it.

Mr. Milatovic, in a talk with Mr. Ignatieff on March 23, said that when Mr. Gromyko saw Mr. Popovic on Tuesday, March 21, just after the former's speech in the Plenary Session, the Yugoslav Foreign Minister expressed his disappointment at the tough attitude which the Soviet Foreign Minister had taken. Mr. Popovic apparently pointed out that the Soviet tough line not only disappointed the high hopes of a majority of members of the U.N. that there would be better chances of a *détente* in view of the change in the administration in Washington but almost inevitably produced a tough reaction from the United States. Milatovic went on to say that there was not much hope for progress on any of the important issues such as disarmament or the Congo unless there was improvement in the international atmosphere. When asked in what particularly way the Yugoslav attitude differed from the Soviet in this regard, Mr. Milatovic said that instead of attacking the Secretary-General and United Nations policy in the way that Mr. Gromyko had done, it would have been more sensible to state specifically how the Security Council Resolution on the Congo should be implemented or what alternative policies would be more likely to bring about a peaceful solution.

It might be interesting to pursue this apparent difference of attitude between the Soviets and Yugoslavs in relation to such specific questions as the Congo, disarmament (European or United Nations Divisions might suggest here some of the points which the Minister might take up with Mr. Popovic).

639.

DEA/10277-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour la Direction européenne*

*Memorandum from Special Assistant to Secretary of State for External Affairs
to European Division*

CONFIDENTIAL

[Ottawa], March 24, 1961

VISIT OF THE YUGOSLAV FOREIGN MINISTER

On March 22 the Prime Minister received a large number of representations from Members of Parliament, leaders of ethnic groups and private citizens protesting against the forthcoming visit of Mr. Popovic to Canada. The Prime Minister was seriously concerned about these protests.

2. A delegation representing a number of Serbian organizations called on the Prime Minister at 2 p.m. after having been told earlier that he would not be able to receive them. Following the meeting the Prime Minister said that he had explained to them that however strongly one might feel about communism, it was nevertheless a fact that if the Popovic visit were to be cancelled now it would be regarded as an act of gross diplomatic unfriendliness. The Prime Minister pointed out that the visit was at Foreign Minister level and said that he himself would not be seeing Popovic.

3. I gave the foregoing information to the Under-Secretary and others concerned on the afternoon of March 23; this note is for the records.

H.B. ROBINSON

640.

DEA/12850-Y-2-40

*L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Yugoslavia
to Secretary of State for External Affairs*

TELEGRAM 101

Belgrade, March 26, 1961

CONFIDENTIAL. EMERGENCY from Geneva.

POPOVIC VISIT

At his request I called last evening on Acting Under Secretary Brilej who had just been informed by Yugoslav Embassy Ottawa that Toronto Yugoslav immigrant group was planning hostile demonstration tomorrow in Ottawa for arrival of Popovic and during whole visit. Brilej requested that I inform you before Popovic's arrival that "Yugoslav Government (asked?) and expected that all necessary measures will be taken in order to prevent not repeat not only physical attacks but also all kinds of other offences" against him Yugoslav Government and President Tito.

2. Brilej also gave (me to?) understand that when Milatovic made representations to Ignatieff about planned demonstration latter was not repeat not as forthcoming in promising protection as Yugoslavs would have wished and that was why he had called me in. He rather forcefully described immigrant leaders as collaborators who now wished to destroy unity of country. Pointing out (group corrupt) civil liberties guaranteed under our system of government he stressed that even for Khrushchev Americans had provided adequate protection.

3. Only comments I made were that we were very happy to receive Popovic and that I would pass on to you above message without delay.

641.

DEA/10277-40

*Compte-rendu d'une conversation
entre le secrétaire d'État aux Affaires extérieures
et le secrétaire d'État pour les Affaires étrangères en Yougoslavie,
le 27 mars 1961*

*Record of Conversation between
Secretary of State for External Affairs
and Secretary of State for Foreign Affairs in Yugoslavia,
March 27, 1961*

CONFIDENTIAL

[Ottawa], April 5, 1961

Note: Although at the beginning Mr. Popovic said he would prefer to use an interpreter, he conducted all the discussions in the English language, referring only on occasion to his advisers for individual words or phrases.

Disarmament

Mr. Popovic said that the Yugoslav Government saw a great need for reaching some solution on disarmament, and noted that his Government had participated to the extent permitted by circumstances. As a result of his recent conversations in New York, he could not see why it is not possible to resume negotiations. Mr. Green said he thought it a hopeful sign that the U.S. and Soviet delegations had agreed on the timing of a resumption of negotiations, although there still was a lack of agreement on the composition of the negotiating body. He expressed the Canadian interest in having the U.N. involved in the renewed negotiations and Mr. Popovic said they also considered it essential to keep the question near the United Nations. Mr. Green stressed the importance attached by the Canadian Government to the involvement of the smaller nations and to their assuming some responsibility in disarmament matters. Referring to his recent discussions in Washington, Mr. Green thought that the new U.S. Administration was interested in progress in the disarmament field and intended to adopt a practical approach. Mr. Popovic noted that the U.S. Administration was engaged in new studies on this problem and felt that if these produced new proposals they would make a valuable contribution.

Mr. Popovic said that from a practical viewpoint there had been no progress whatever on disarmament: the great powers may have found lines of contact through which discussions may develop and there has been some real progress in the field of nuclear testing which is helpful, but thus far there has been no practical result in terms of actual disarmament. The Yugoslavs were concerned about the possibility that additional powers, notably China and France, would develop atomic weapons and suggested that any agreement which might be concluded should cover such additional nations even though they had not participated in the discussions. Mr. Popovic expressed the Yugoslav awareness that this is a very complicated question and stressed the need for a minimum of mutual faith in order that progress may be made. He thought that Canada and Yugoslavia had a part to play in this respect. Mr. Green suggested that there was some hard bargaining on this subject and that the major powers were adopting perhaps more extreme positions than was necessary because of the basic doubts which existed on both sides about the good intentions of the other.

On the question of the forum for future negotiation, Mr. Popovic thought that if there were new American proposals, the various formulas already put forward for the negotiating forum might not be appropriate and a new one might have to be sought. He felt, however, that nations which are not members of power blocs should be included. When asked his views on Yugoslavia being a possible additional member of the negotiating body, Mr. Popovic replied laconically that it seemed that neither side would have sufficient confidence in Yugoslavia to propose its participation.

Laos

Beginning this discussion, Mr. Green said he felt the Laos problem was important as showing how willing the Soviet Union may be to reduce tensions: if Mr. Khrushchev's reply to the U.K. proposal⁹ was unfavourable, there could be very serious developments. Mr. Popovic expressed the opinion that the serious situation in Laos had arisen not from causes native to this small country itself but because the great powers had intervened. It was therefore their responsibility to see to an improvement in the situation which would allow Laos to develop in a normal manner. He noted that the U.S. attitude to this problem had changed and was now in favour of a neutral government. A few months ago this was not so, and the change was for the better. Mr. Green noted that both the Soviet Union and the U.S. seemed now to want a neutral Laos and this should provide a basis for understanding.

Congo

Mr. Popovic expressed grave concern over developments in the Congo, noting also that President Tito was deeply concerned. He laid prime responsibility for the Congo situation on Belgium and thought that the U.N. should act now to condemn Belgian intervention and set a time for the departure of all Belgians from the Congo. He suggested that if the Congo problem was resolved on Western lines, this solution would dissolve within two years and the resultant situation would be worse for the West. Mr. Green noted that the Belgian Government maintains it cannot control the activities of individual Belgians in the Congo, to which Mr. Popovic replied he did not find this Belgian claim convincing. Mr. Green said he understood that there were Belgian advisers behind Gizenga and indeed around all the Congolese leaders. Mr. Popovic replied that this proved his point, that Belgian influence was generally bad in the Congo. In more general terms he said the U.N. should have applied force before now, but said the U.N. claimed that when they had troops they had no mandate; now they have a mandate, they have no troops.

Other Topics

In response to Mr. Green's lead into a discussion on developments in the *Commonwealth*, Mr. Popovic commented that the recent Conference showed that the Commonwealth is aware of the new conditions in which international affairs will develop, and wishes to recognize the new trend in a positive fashion.

On the question of the Austrian-Italian dispute over *South Tyrol*, Mr. Popovic expressed Yugoslavia's general interest in a peaceful solution of this problem between two of its neighbours. Apart from this, Yugoslavia was also interested in agreements which would provide guarantees protecting minority groups.

Mr. Green expressed concern over *European economic developments*, commenting that trade restrictions arising from development of EEC and EFTA would create considerable difficulties for Canada. Mr. Popovic said Yugoslavia was also worried for, although they were a European country and had frequently held discussions with members of both economic

⁹ Voir/See document 682.

groupings, they had no success thus far in avoiding undesirable consequences for Yugoslavia. Both Ministers expressed concern about the effect of the EEC on their respective agricultural exports to member countries.

In discussing *Latin America* Mr. Popovic indicated that Yugoslav relations with various Latin American countries were developing well. He noted that Tito was the first head of state to receive an official invitation from the new Brazilian President. Mr. Popovic commented that the régime in Cuba was better than that which existed before Castro but the lack of experience of the leaders had created difficulties. He put the chief blame on U.S. policies and felt that if the United States had not reacted so sharply, things would not be so bad now. He commented briefly on the position of small countries who have oppressive neighbours and said it was natural for such countries to seek aid from abroad. He believed that the Cuban régime was not communist but that it might move in this direction, a development which would be largely the fault of U.S. policies.

On the question of *China*, Mr. Green noted that the problem of Formosa was of great importance. Mr. Popovic noted that the Chinese situation was abnormal; the communist government was in charge and China was destined to play an important role in world affairs. He suggested that everyone loses if China is kept isolated, and that more contact might encourage the progressive and more liberal factions which might lead to some development in the Chinese attitude.

642.

DEA/10277-40

*Compte-rendu d'une conversation
entre le secrétaire d'État aux Affaires extérieures
et le secrétaire d'État pour les Affaires étrangères en Yougoslavie,
le 28 mars 1961*

*Record of Conversation between
Secretary of State for External Affairs
and Secretary of State for Foreign Affairs in Yugoslavia,
March 28, 1961*

CONFIDENTIAL

[Ottawa], April 5, 1961

Berlin and Germany

The Ministers agreed that while neither of their countries was directly involved, both maintained an active interest in the Berlin problem. Mr. Popovic offered the opinion that the situation in Berlin was abnormal and that the division of Germany could not be considered satisfactory. In the Yugoslav opinion this was not a question of major importance but rather was one used by the great powers to create or exacerbate tension. He felt that some provisory solution should be possible and believed that if the Berlin problem were allowed to continue it would not in itself be dangerous, but could be the focus of unfortunate developments if relations between the great powers deteriorated. On German reunification Mr. Popovic said that reunification in principle was desirable for all divided countries but in the case of Germany, the political influences were so complex that there was no near prospect. The Yugoslavs were not opposed to reunification, although they would be interested only in a reunified Germany which could be a useful partner in international relations.

Eastern Europe

Mr. Popovic said it appeared the situation in Hungary had now become stabilized and Yugoslav relations were developing without notable difficulty. Speaking generally, Mr. Popovic suggested that for all the bloc countries (and also for countries in Western Europe) improvement in international relations would have the effect of allowing liberalization of governmental policy and an improvement in the situation of the peoples. So long as military considerations predominate, this is not possible.

The French Community

Mr. Green commented that President de Gaulle's policy in the French Community was having good results. Mr. Popovic thought that the governments of Community members which are closest to France may not last long in their present condition; they engage too much in "colonialist activities," e.g. on Algeria they have given France too much support. He argued that new African governments need not break their relations with the West but that they should pay more attention to the nationalist and independent trends in Africa.

Soviet-Chinese Relations

Mr. Popovic said there are obviously some differences between China and the Soviet Union which he attributed in part to the weight of China on the international scene. He suggested that, given the rising influence of China, the Soviet Union has tried to avoid difficulties (whereas the U.S. has accumulated them) with China, but in spite of their considerable efforts the Russians have not been able to avoid bilateral problems with the Chinese. When asked about Albania, Mr. Popovic declined comment except to suggest that the Albanian problem largely arose from internal difficulties.

Comparison of Canadian and Yugoslav Positions

Mr. Popovic said that the Yugoslavs are often accused of seeking to balance their relations between the Eastern and Western blocs. In fact, their position is more than a mere balancing act: they are attempting actively to develop constructive policies in relation to all areas and countries. He suggested that their position is unique in Europe for, whereas other European countries which are not aligned in blocs are merely neutral, Yugoslavia pursues an active foreign policy. Mr. Green agreed that this was a sensible policy for Yugoslavia and suggested that Canada has attempted to follow a somewhat similar line, although, of course, there were limitations following from membership in NATO. In this connection, Mr. Popovic thought that the need for solidarity on international questions must create difficulties for the formation of national foreign policies, e.g. there might otherwise have been less Canadian support for the policies of West European countries, such as France in Algeria. To Mr. Green's comment that NATO did not operate as a bloc at the United Nations and that Canada has opposed moves in the direction of such a policy, Mr. Popovic replied that it had seemed to them on occasion NATO did act as a bloc in the U.N.

Conclusion

In his concluding remarks, Mr. Popovic expressed the belief that it was very useful to have conversations between Foreign Ministers. He hoped also that these conversations could be continued between the respective missions and foreign ministries. He commented that it was not easy to follow a foreign policy directed between the two power blocs but that Yugoslav policy would continue to be directed towards this end. Taking up this point, Mr. Green said that although some Canadians thought it would be good for Canada to be released from her NATO responsibilities, he did not agree and felt that Canada can make its best contribution in world affairs as a member of NATO.

643.

DEA/10277-40

*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-96

Ottawa, March 29, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: London, Washington, Permis New York, Paris, Belgrade, Bonn, Oslo, Brussels, Copenhagen, Hague, Rome.

By Bag from London to Moscow, Warsaw, Prague, Athens, Ankara, Lisbon.

VISIT OF YUGOSLAV FOREIGN MINISTER

I think it would be appropriate for you to make a brief report in Council or in PAC on the visit to Ottawa this week of Koca Popovic, the Yugoslav Foreign Minister. Your comments should be based on the communiqué issued today,¹⁰ a copy of which has gone to you by wire and on the following additional observations.

2. Views were exchanged between Mr. Popovic and myself in a friendly and informal manner during two long discussion periods and at the social gatherings. We did not reach any agreed conclusions but I consider it valuable to have had the occasion to discuss the major international questions personally and at length with him. Popovic carefully followed the current Yugoslav line but spoke in amiable and generally reasonable terms. The fact that he conducted the conversation throughout in English added to the effectiveness of the exchange. We had been told he preferred French for official discussions and indeed he commented to this effect at the beginning of the talks. However he showed himself fully confident and at ease in English except for the odd phrase. Other delegations may be interested in this fact.

3. Although the visit did not accomplish anything concrete, it has, we believe, served a useful purpose in providing occasions for a full exchange of views. By and large, it went off very well and we understand that Popovic was content with the conversations. The original Yugoslav initiative was probably connected with their continuing desire to balance contacts with the West and the Soviet bloc, and may have been influenced by the invitation which we understand has been given to Popovic to visit Moscow. Our positive response, which was to take the opportunity of the Foreign Minister's current presence on this continent for the resumed U.N. session, was also influenced by our desire to recognize Yugoslavia's independent position and to demonstrate the importance we attach to it.

[H.C.] GREEN

¹⁰ Voir Canada, Ministère des Affaires extérieures, *Communiqué*, 1961, n° 16.
See Canada, Department of External Affairs, *Press Releases*, 1961/16.

644.

DEA/10277-40

*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, 1961

POPOVIC VISIT

We understand that the Soviet Embassy is interested in learning whether Mr. Popovic was received by the Prime Minister during his visit to Ottawa. We can anticipate that other diplomatic missions may also make similar enquiries since they will be interested in the way the visit was conducted. The Soviet Embassy enquiry may also be connected with the fact that Mr. Popovic may be visiting Moscow within the next few months. He will try to see Mr. Khrushchev and the arrangements made here may provide a significant precedent.

2. My inclination would be to reply to such enquiries by giving them a copy of the press release and indicating that the conversations with Mr. Popovic, which were private and confidential, were carried on mainly by yourself but that during his stay in Ottawa there were a number of social gatherings in the course of which he also met other members of the Canadian Government, including the Prime Minister. Do you agree with this line of reply?¹¹

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

645.

DEA/10277-40

*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, 1961

POPOVIC VISIT

While a summary is being prepared in the European Division on the consultations which you had with the Foreign Minister of Yugoslavia on March 27 and 28, I should report a remark which Mr. Popovic made in a conversation with Mr. Ignatieff, which throws some light on the

¹¹ Notes marginales :/Marginal notes:

NO. Dept. should give out no information relating to the PM. R. C[ampbell] 29/3

HBR[obinson] confirmed. He is consulting PM re replies to press & confid[ential] enquiries [by] Embassies. R. C[ampbell]

À propos de la rencontre très brève de Diefenbaker avec Popovic, voir George Ignatieff, *The Making of a Peacemonger* (Toronto: University of Toronto Press, 1985), pp. 195-97, et H. Basil Robinson, *Diefenbaker's World: A Populist in Foreign Affairs* (Toronto: University of Toronto Press, 1989), pp. 190-91.

On Diefenbaker's very brief meeting with Popovic, see George Ignatieff, *The Making of a Peacemonger* (Toronto: University of Toronto Press, 1985), pp. 195-97, and H. Basil Robinson, *Diefenbaker's World: A Populist in Foreign Affairs* (Toronto: University of Toronto Press, 1989), pp. 190-91.

significance attached to this visit by the Yugoslav Government. Mr. Popovic said that he was planning to go to Moscow for talks with the Soviet Government in May. This had been arranged when Mr. Popovic had talks with Mr. Gromyko in New York. The Yugoslav Foreign Minister added that he hoped to see Mr. Khrushchev as Gromyko seemed to lack freedom of action and had to refer back to Mr. Khrushchev for instructions on anything that mattered. It would be important in connection with the visit to be able to establish that Yugoslavia was maintaining a balance between East and West, and to illustrate this claim by reference to his visit to Ottawa as well as his talks with United States leaders. Mr. Popovic said that he had had meetings with Mr. Rusk, Mr. Dillon and Mr. Bowles in Washington as well as with Mr. Stevenson in New York.

2. In the course of his talks with you, you will recall that Mr. Popovic stressed that the Yugoslav foreign policy would continue to be unaligned with any blocs, and that his government would continue to cultivate its associations with other countries that were unaligned such as India, Burma, Indonesia, Ghana, Tunisia and the United Arab Republic.

3. Mr. Popovic indicated to Mr. Ignatieff that he was generally happy about his visit to Ottawa.

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

CHAPITRE VII/CHAPTER VII
MOYEN-ORIENT
MIDDLE EAST

PREMIÈRE PARTIE/PART I

ISRAËL
ISRAEL

SECTION A

VISITE DU PREMIER MINISTRE DAVID BEN-GURION
À OTTAWA, LE 24 AU 25 MAI 1961
VISIT OF PRIME MINISTER DAVID BEN-GURION
TO OTTAWA, MAY 24-25, 1961

646.

DEA/12850-L-2-2-40

*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], May 20, 1961

VISIT OF THE ISRAELI PRIME MINISTER
DISCUSSION OF ISRAELI SECURITY POSITION AND NEED FOR ARMS

In the attached telegram 97 of May 16,† the Canadian Ambassador in Tel-Aviv reports that she was informed by a senior official in the Israeli Foreign Ministry that Mr. Ben-Gurion “would not bring a shopping list with him this time but would want to explain Israel’s security problems and security needs so that any request made later for Canadian military equipment would be considered against this background.”

2. As our Ambassador points out, there is an element of propaganda in some of the recent emphasis placed in Israeli official statements concerning the UAR’s growing strength and its hostile intentions towards Israel. This should not, however, be allowed to obscure the fact that there are very real grounds for concern by Israel about its future security.

3. If Israel should decide that the military balance with the UAR is likely to turn significantly against it in the next few years and that it is essential to take steps to correct this situation, there would be four main courses which it might consider:

- (a) Try to obtain a significant increase in arms,
- (b) Try to secure an external guarantee of its security,
- (c) Develop a nuclear weapons capability,
- (d) Launch a preventive war against the UAR.

In any new attempt to improve its security position, Israel would probably first try course (a) – obtaining more arms; possibly reinforced by (b) – a security guarantee. If Israel thought it improbable that it would receive satisfaction on its request for arms or a security guarantee, then of course it would be more likely to proceed to courses (c) – nuclear weapons; or (d) – a preventive war.

4. If the Israeli Government should decide to adopt one or more of these courses, it would be logical for it to prepare the ground by the kind of public campaign in which it is now engaged. While this official expression of increasing Israeli concern about its security is in a sense, therefore, partly a propaganda exercise, it may also be an indication that the Israeli Government is so concerned about its security that it has in fact decided to adopt one or more of the courses outlined above.

5. It is impossible to make a reliable estimate of the present relative military capabilities of Israel and the UAR (the only Arab country which could in practice be expected to make a significant military contribution in an Arab-Israeli war.) The difficulty in making such an assessment arises from the need to weigh the decided superiority of the UAR in numbers of troops and quantities of equipment against such relatively intangible factors as the Israeli superiority in morale, training, efficiency of organization and intelligence and in their technical proficiency in handling their equipment. All the evidence indicates, however, that while the Israelis' relative superiority in these fields is probably still conclusive, it is a steadily declining factor and that at some point in the next few years it will no longer be sufficient to counterbalance the UAR's superiority in numbers of troops and quantities of equipment. This is a prospect which, in the continuing absence of any progress in improving Arab-Israeli relations, no responsible Israeli can view with equanimity.

6. An additional source of worry for the Israelis is the effect that future developments in Algeria may have on Israel's ability to procure arms from France, which at present is its major supplier, particularly for such controversial items as high performance aircraft. If the forthcoming negotiations in Evian do not lead to an Algerian settlement or lead to a settlement which involves continuing strained relations between an independent Algeria and France, there may be no significant change in French policy regarding arms exports to Israel. On the other hand, if a settlement is reached which holds out the hope of a reasonably close association between France and an independent Algeria, France will have a very substantial interest in improving its relations with the Arabs because of the effect such an improvement would have on its relations with the Algerians. In these circumstances the French might come to regard close French-Israeli relations, not as they have in the past as an aid to French policy in Algeria, but as a definite liability to harmonious French-Algerian relations. This might make it increasingly difficult for Israel to obtain its arms requirements from France and would lead it to seek additional sources of supply. The United Kingdom in recent months has supplied Israel with two submarines and large quantities of heavy military equipment, particularly Centurion tanks. The UK might well be prepared to increase its supplies to Israel to maintain an arms balance in the area, but would probably be reluctant to supplant France as Israel's major supplier and might well seek to have Canada and the United States share some of the public odium in the Arab world of being a substantial supplier of arms to Israel.

7. Canada's present policy is not to supply significant military equipment to either side in the Arab-Israeli dispute. There have been repeated endeavours by the countries concerned and by Canadian suppliers of military equipment to have exceptions made to this policy. However, the decision to make exceptions would raise the question of whether a new role of arms suppliers in the Middle East would be consistent with our general political position in the area. The main lines of our policy for the Middle East have been to work for peace and stability through U.N. peace keeping instruments. Our successful participation in UNEF and UNTSO, both of which operate on UAR/Israeli borders, would appear to depend to a large extent on our capacity to maintain in the area a reputation of impartiality and of peaceful intent.

8. The policy outlined above has not meant a complete embargo on military equipment to the Middle East. Considerable sales of equipment of a military or dual-purpose nature have taken place. Most of these exports have been directed to Israel, but only because the number of export permit applications received from Israel has exceeded to a considerable extent the number received from Arab countries. An attempt has been made to ensure that no military equipment of a combat nature has been exported to the area. In June 1960 the Secretary of State for External Affairs approved the issuance of an export permit for 100 telephone terminal units with a total value of \$500,000 for the Israeli Army. The sets were required almost entirely for permanent installations constituting the civil communications system in the southern part of Israel which is operated by the Israeli army. We have also exported aircraft engine parts of a dual-purpose nature to both sides, but applications from Israel for substantial quantities of parts for an aircraft engine which can be used in Sherman tanks have been refused since Israel has a tank rebuilding factory. Similarly, applications from Israel for Shervic tractor spares, which are interchangeable with Sherman tank spares, have been refused.

9. In October, 1960 the UAR wished to import a number of Caribou aircraft. This aircraft was designed to operate as a troop transport and is ideal for operations such as those which would occur in the Middle East. The psychological impact of selling such an aircraft to the UAR would have been considerable and would probably have been looked upon in the Middle East as a change in our present policy of not supplying significant military equipment to either side in the Arab-Israeli dispute. Consequently our Embassy in Cairo was informed that an application for Caribou aircraft would not be accepted by the Canadian authorities. The Embassy was instructed to inform the UAR authorities that the Caribou aircraft would not be sold in present circumstances to any of the parties to the Arab-Israeli dispute. More recently the Government of Jordan expressed an interest in purchasing Caribou aircraft and were informed that applications for the export of this aircraft to Jordan could not be approved.

10. As far as Israel is concerned, the Cabinet on February 21 agreed that an export permit should not be issued at this time for the export of electronic equipment (UHF transceivers) to the Government of Israel. Israel had wished to import two prototype transceivers for evaluation purposes. If the transceivers had proven acceptable to Israel, they would have been incorporated in the Dassault Mirage supersonic Jet fighter which the Israeli Government is purchasing from France. The introduction of the Mirage aircraft into the Israel Air Force is viewed with concern by the Arab States. It was felt that the supply by Canada of equipment to go into this aircraft would probably contribute in some degree to a further deterioration of UAR-Western relations.

N.A. ROBERTSON

647.

DEA/10963-40

*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 ME-306

Ottawa, May 28, 1961

TOP SECRET. OPIMMEDIATE.

Following for Ambassador from Prime Minister.

Please arrange to deliver urgently to President Kennedy the following message, Begins:

The Prime Minister of Israel was my guest in Ottawa on May 24 and 25. We had a number of conversations which ranged over a wide area of subjects but which naturally concentrated on the situation in the Middle East. Mr. Ben-Gurion has in mind a specific proposal which he will be explaining to you and on which he sought my views. He stated and reiterated his view that a very significant contribution to relaxation of tension and to the growth of confidence in the Middle East would be made by a declaration by the United States and the Soviet Union guaranteeing the territorial integrity and the independence of all Middle Eastern states. Mr. Ben-Gurion would also be pleased if the United Kingdom and France were to associate themselves with such a declaration. He thought that even if the Soviet Union were not sincere in its eventual intention to implement such a guarantee the declaration itself would have a very important impact on the minds of the people of the area, particularly the Arabs, and might even offer President Nasser an opportunity to recede from his public position of extreme hostility to Israel and to consider the possibility of negotiations for a settlement. Mr. Ben-Gurion added that the whole Middle Eastern area was beset by fear and a declaration by yourself and Mr. Khrushchev would have a calming and reassuring effect which would stem the tide of tension.

2. I told Mr. Ben-Gurion that although I had serious reservations about the likelihood of the Soviet Union making good on any such guarantee, I was impressed with his exposition and recognized the psychological value such a declaration would have in the area. At his request I agreed to let you know of our conversations before you left for Europe.

3. With all good wishes for the success of your meetings in Paris and Vienna, I am, sincerely yours, John G. Diefenbaker. Ends.¹

¹ La réponse de Kennedy n'a pas été retrouvée. La réponse américaine est discutée dans *Foreign Relations of the United States, 1961-1963*, Volume XVII (Washington: United States Government Printing Office, 1994), document 56. Voir aussi le compte rendu de la conversation de Kennedy avec Ben-Gurion, *ibid.*, document 57.

Kennedy's reply was not located. The American response is discussed in *Foreign Relations of the United States, 1961-1963*, Volume XVII (Washington: United States Government Printing Office, 1994), document 56. See also the record of Kennedy's conversation with Ben-Gurion, *ibid.*, document 57.

648.

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*Note**Memorandum*

TOP SECRET

[Ottawa], May 29, 1961

SUMMARY OF CONVERSATIONS BETWEEN PRIME MINISTER DIEFENBAKER
AND PRIME MINISTER BEN-GURION IN OTTAWA, MAY 24 AND 25, 1961

Mr. Diefenbaker invited Mr. Ben-Gurion, if he wished, to begin the discussions with a general statement and then perhaps to discuss specific situations such as disarmament, Laos, East-West relations and, of course, the Middle East. Mr. Diefenbaker said he hoped very much to hear Mr. Ben-Gurion's views.

Mr. Ben-Gurion said he did not propose to discuss Laos which had become a rather mechanical situation and was but one manifestation of the Cold War. He thought that neither Russia nor the United States would make real war. The Russians realized that war meant suicide and, in any case, the Russians believed religiously that the capitalist world was doomed and that the victory of communism was inevitable: recourse to war was therefore unnecessary. Mr. Ben-Gurion saw the East-West Cold War as a contest for the souls of the people of Asia, Africa and Latin America. (He remarked that he did not know China but he knew Russia well; he had read 13 volumes of Lenin and several volumes of Stalin.) He said that although the Soviet Union would not make war, neither would it accept the *status quo*. Their philosophy required dynamic action. In Eastern Europe small minorities ruled by virtue of the near presence of Soviet armies. He had been in Bulgaria right after the Second War when the Russians occupied the country. At that time the Communists were only 3 per cent of the population but they were able to take over the government easily. The West, however, was prepared to accept the *status quo* and had no intention of liberating Eastern Europe. Even Mr. Dulles had not been seriously bent on liberation. It was very different for the Russians; they would exert all pressures short of war. The Soviet Union had its own political parties in all countries of the free world but the West could not operate parties in the Soviet Union. Russia itself was changing but its objectives and principles remained the same. The Soviet leaders intended to make the whole world communist – and had had a great success in China.

The real contest was now for the minds and hearts of Africa, Asia and Latin America. Until Castro, it was the view of the United States that the Western hemisphere was safe; but no-one thought so now. The possibility was very real that communist governments would be set up in several other countries. The free world makes a great mistake in not giving enough attention to the problems of hunger, disease and poverty in many countries; for people living in such conditions political liberty alone is unimportant. Slogans about freedom had no meaning for them. (Mr. Ben-Gurion said that India was an exception but wondered how long this true democracy would last and what would happen when Mr. Nehru went.) The free world, in addition to offering freedom, must say significant things and give useful things to the poor countries. Canada had a particularly important role to play, out of proportion to the size of its population, because it was materially and technically advanced but had never had colonies or dominated other nations.

Mr. Ben-Gurion pointed to Ghana as an example of the need for assistance. Ghana was a dictatorship and most people cared little for political freedom; most of all they wanted education and food. The obligation of the free world was to bring decent standards of living to such people but the way in which aid was given was of primary importance. The free world must offer its aid with true humility, must deal with underdeveloped people as equals and must never exhibit a sense of superiority. The United States had been extremely generous and had

had the best of intentions but, despite this, Americans were not well liked in underdeveloped countries. American technicians had often shown a superior attitude. People dominated for centuries wanted friendship and equality. Israel had been able to do something in this field because of the particular experience of her people. In the United States the Peace Corps was a splendid idea but the way in which it carried out its work was all-important; everything depended on the right mental attitude. People doing technical assistance must not come as benefactors but as brothers.

Mr. Diefenbaker asked what was the Arab attitude towards receiving assistance. Was it similar to that of other African countries? *Mr. Ben-Gurion* replied that it was but, of course, the Arabs could not be compared with the people of Ghana or Nigeria. These latter countries were not normal nations but, rather, geographical expressions. The Arabs are not primitive; they have a great history and culture. *Mr. Diefenbaker* mentioned the worthy contribution which the United Kingdom and France had made to the territories they had governed in Asia and Africa. He wondered what the situation would have been if Britain had not established its rule in India. *Mr. Ben-Gurion* agreed that the contribution of Britain and France had been great but pointed out that 80 per cent of the Indian population was still illiterate and that average per capita income was about \$50 per year. The United Kingdom and France had been able to produce and serve an elite in colonial countries but the vast masses of people had been relatively untouched.

At this point *Mr. Diefenbaker* asked the Israeli Prime Minister for his opinion of President Nkrumah. *Mr. Ben-Gurion* replied that Dr. Nkrumah was not a communist but was a genuine patriot. However, he had great ambition in Africa and for this reason had aligned himself with Nasser and was leaning towards Moscow. Sekou Touré, also, was not a communist but his country might become a communist satellite.

Mr. Diefenbaker enquired about the number of technicians Israel had working in Ghana. *Mr. Ben-Gurion* replied that there were about 100 (the United States, he said, had only 20) and that about 500 Israelis were employed in Africa in technical assistance. He added that there were about 1,000 Africans training in Israel. Dr. Nkrumah had admired the Israeli system of using the army to build settlements and had patterned his Builders' Brigade on this. But enthusiasm for this effort had not been high in Ghana (the situation in Israel was very different) and the results in Ghana had not been outstanding. (The results of training Burmese in ways of establishing frontier settlements had, however, been highly satisfactory.)

Mr. Diefenbaker enquired how the West could proceed to help underdeveloped countries successfully and gain their sympathy when the communists had the same things to offer and the underdeveloped countries could play one off against the other. *Mr. Ben-Gurion* was not sure that the Russians were really offering so much help. He mentioned the comments of the United Kingdom High Commissioner in Nigeria that African countries tended to look to Russia, China and Israel for help because these countries had had recent, relevant experience in re-organizing societies and economies. The African countries were too poor and too unsophisticated to follow the example of the United States, United Kingdom or France.

Mr. Diefenbaker wondered, considering that the Soviet Union was the world's greatest imperialist power, what real African feeling about that country must be. *Mr. Ben-Gurion* agreed with the description of the Soviet Union and cited the recent history of Soviet territorial aggrandizement. But nevertheless the U.S.S.R. had had some success in raising the charge of "imperialism" against the West and in efforts to identify Western economic aid as "neo-colonialism." *Mr. Ben-Gurion* had talked with President Eisenhower about this and said that Mr. Eisenhower had agreed on the fundamental need to enlist the right sort of dedicated people in aid programmes.

Mr. Diefenbaker said he was aware of the conversation with President Eisenhower and the effects *Mr. Ben-Gurion's* views had had on the U.S. administration. The Prime Minister confessed to serious doubts that the West could successfully compete with the communists by means of grants for the support and understanding of the underdeveloped peoples. Neither East nor West had a monopoly on the granting of aid and the ultimate effect probably balanced out. At the same time he was increasingly convinced of the need for exchanges and training programmes with the underdeveloped countries. In this field, he said, he knew that Israeli aid had been most effective. *Mr. Ben-Gurion* said the human approach was far more important than the scope of material aid. *Mr. Diefenbaker* agreed and said that judgements on countries so often depended on the people one met. He referred to his own favourable impression of Israel in this regard. While human contacts were most important he thought that the "Ugly American" was extremely exaggerated.

One of *Mr. Ben-Gurion's* party remarked that Israel had been able to make very good use of American technical assistance because Israel knew what it wanted and needed, whereas many African countries had not clearly assessed their requirements and lacked detailed plans. *Mr. Diefenbaker* agreed and said he had seen this factor in operation at Huleh in Israel. He then asked what had been the total amount of outside aid for Israel since 1948. The answer was that technical assistance had come to about \$20 million, \$250 million in economic aid, about \$150 million from loans, a very substantial amount from German reparations, and about \$480 million from Israel bonds, of which \$150 million had been repaid. *Mr. Ben-Gurion* said that Israel's earlier immigration, before the War, had brought both skills and funds to the country but that recent immigration had been a great financial burden on the state. *Mr. Diefenbaker* again questioned whether economic aid was an effective way of influencing the people of other countries. He mentioned that Canada's outlay for aid of all sorts to other countries since 1946 had been \$4 billion, 400 million and that, on a per capita basis, Canada stood second only to the United States.

Second Conversation

On the morning of May 25, the Prime Ministers turned to the Middle East. *Mr. Ben-Gurion* said there was less trouble there now, among the Arab states and between these states and Israel. The improvement was due largely to the presence there of United Nations forces, among which Canada played a considerable role. (Note: This statement was later repeated publicly by the Israeli Prime Minister.) In Egypt there had been some developments but President Nasser's object was domination of the Arab world and, now, Africa was receiving his attention. He was pro-Soviet although he called himself a positive neutralist. He was exploiting opposition in Africa to Western influence, particularly of the United States and NATO. In Iraq, Kassem, despite the earlier expectations of some people had turned out not to be a Communist. He was genuinely anxious to preserve Iraq's independence. The situation in Iran was not stable. The Shah meant well but was not a very strong leader. The Parliament was weak and there was a good deal of corruption in public life. The new Prime Minister, Amini, was an intelligent man who wished to get rid of corruption, preserve democracy and Iran's links with the free world. The country's main problem was to improve and develop its agriculture. Israel was helping Iran to build modern farms. In answer to *Mr. Diefenbaker's* question, *Mr. Ben-Gurion* said about 25 to 30 Israelis were working in Iran. Relations between the two countries were excellent.

Relations between Israel and Turkey were quite satisfactory, *Mr. Ben-Gurion* went on. Military rule in Turkey was temporary. The Gursel government honestly wanted to return to the democratic processes but were afraid that the Democratic Party might be able to regain power. Turkey's economic structure was bad. Help from the United States had gone either into the military effort or to urban industrial development; not nearly enough had been directed to

agricultural development. The place of religion in the country's life had been enhanced. Turkey's attitude towards the West was unshakable but Turkey would like to be somewhat more independent and would like to rely rather more on NATO than on the United States alone.

Jordan's fate was an unknown factor. Perhaps King Hussein's decision that his new wife would not be Queen would have a soothing effect. In general terms, Mr. Ben-Gurion thought that the Arab states should receive help and encouragement from the West. Egypt, with its rapidly growing population, particularly needed help. Mr. Nasser had indeed done some good things for his country. However, he had gone too far in his relations with the Russians and it was doubtful if he could come back.

Mr. Diefenbaker enquired about the effect and influence of the Palestine refugee population in Jordan. *Mr. Ben-Gurion* said there were about 600,000 refugees in Jordan but that they were mostly not refugees in a true sense. They were all Jordanian citizens and a great proportion were gainfully employed. At this point, Mr. Ben-Gurion gave detailed historical illustrations of the departure of the Arabs from what is now Israel. He also responded to Mr. Diefenbaker's question about the origin of Yemeni Jews and gave his own impression that they were the most Jewish group of all. Returning to the refugee question, *Mr. Ben-Gurion* said that without the consent of Egypt no Arab state could solve the refugee question or make a general peace settlement with Israel. King Abdullah had been murdered because he thought a separate arrangement for Jordan was possible.

Mr. Diefenbaker asked what form of settlement the Israeli Prime Minister envisaged. *Mr. Ben-Gurion* noted that cooperation between Israel and her neighbours could be most beneficial for the area. Iraq and Syria had substantial natural resources and were under-populated. They required both technology and a pioneering spirit. Such a spirit was required in Egypt, too. But in Egypt, and the Arab world generally, there was a great obstacle in the form of unsatisfactory human relationships; there were sharp class divisions and the more fortunate had very little concern for the fate of the common people. Israel wanted not merely peace but real cooperation. To achieve a settlement both sides would have to offer something. *Mr. Diefenbaker* enquired as to what would have to be offered. He had seen the frightful conditions in refugee camps and was aware of deep Arab resentment at what they considered ejection from their homes in Palestine. *Mr. Ben-Gurion* replied that it was a complete invention that the Arabs had been expelled and the Arabs knew this was a lie. The children of the refugees, however, probably believed it was true as their minds had been systematically poisoned. Jordan wanted to keep the refugees and needed them. If the Arabs made the political decision not to destroy Israel, the refugee problem could be readily settled along economic lines. *Mr. Diefenbaker* asked whether refugees could leave Gaza. *Mr. Ben-Gurion* said that very few could and that this was understandable since Egypt was overpopulated and had unemployment. But Iraq could absorb many thousands of refugees; it was a country of great potential.

Mr. Ben-Gurion then gave his view that the Arab intention of destroying Israel was not just to be rid of an independent state but to exterminate or scatter the Israeli people, they were aware of the degree of Jewish attachment to the soil of Palestine. If the Arabs won a war it would be quite in character if they embarked on mass slaughter.

Mr. Diefenbaker asked about the size of Israel's armed forces and was told that the army was about 45,000, with trained reserves of 250,000. The Arabs, of course, had a tremendous numerical superiority. The quality of the Egyptian forces was improving; they had a standing army of 210,000, and reserves of 50,000; they had better weapons than Israel and about four times as many weapons. Egypt had 9 submarines. The Russians had sent very good military instructors but, fortunately for Israel, "Egyptians are not Russians." Iraq had a standing army of 70,000 men. *Mr. Ben-Gurion* thought that President Nasser was not convinced the UAR

could at this time beat Israel but he probably believed he could do it in one, two or three years' time. Nasser had said this to his army so often that he could scarcely back down. In a real sense Nasser was the captive of his own propaganda. *Mr. Diefenbaker* asked where the UAR submarines were and was told they were at Alexandria. *Mr. Ben-Gurion* was not certain whether Alexandria was to be considered a UAR or a Soviet submarine base.

Mr. Diefenbaker asked whether Mr. Ben-Gurion would wish to say something about Israel's plans regarding nuclear reactors. He pointed out there had been much interest in the Arab world and elsewhere, particularly because of reports of some degree of concealment in this matter by Israel. There was genuine fear of a nuclear weapons programme. *Mr. Ben-Gurion* revealed that last week two American scientists, sent by the U.S. Government, inspected the Israeli reactors and have reported to the U.S. Government. Mr. Ben-Gurion continued and said that Israel had two fundamental problems: water and power. Power was more expensive in Israel than anywhere else; coal and oil had to be imported. For the time being, nuclear power continued to be more expensive than conventional power but his scientific advisers believed that in 10 or 15 years nuclear power would be economically attractive. It was too expensive for Israel to set up a nuclear power plant now but it was essential to train and develop a cadre of nuclear scientists and technicians who could meet the problems of nuclear power when it became economic. The United States had helped with the first small reactor and the French Government was helping Israel to build the second. Israel had also decided to set up a small pilot separation plant which would produce about 300 grammes of plutonium per year. Although every nuclear power station has a potential for producing atomic weapons, Israel's rate of plutonium production was not very menacing. The first Israeli reactor was located near the Weizmann Institute and the new one was about 40 kilometres southeast of Beersheba. When a power station is built it will be in the Negev and would help operate the desalination programme.

Mr. Diefenbaker enquired whether the supplies of military equipment from France met Israel's needs. *Mr. Ben-Gurion* said Israel was getting all it could pay for now but obsolescence set in so quickly. In answer to a further question, *Mr. Ben-Gurion* said that the UAR had received 20 MIG 19s and they might get twice as many more.

At this point *Mr. Ben-Gurion* turned to a matter to which he clearly attached much importance. He said there was one step which could be taken which would serve to reduce tensions substantially in the Middle East. This would be for the United States and the USSR to issue a declaration of guarantee for the independence and territorial integrity of all Middle Eastern states, including the Arab states, Israel, Iran and Turkey. All these countries had fears and apprehensions from one quarter or another; Israel felt threatened by the Arab states, the Arab states felt threatened by Israel and Turkey and Iran felt threatened by Russia. A declaration of this sort by the United States and the Soviet Union (and Mr. Ben-Gurion would welcome the association of France and the United Kingdom) would be conducive to relaxation of tension and the promotion of international confidence. Although a joint appeal for peace by Russia and the United States would be a good thing as far as it went, it would not have any very significant effect. But a guarantee might open the way leading to a peaceful settlement. He just did not know if the Russians would agree to such a declaration. *Mr. Diefenbaker* doubted that the Russians would be sincerely prepared to carry out a guarantee. *Mr. Ben-Gurion* said that even if the Russians were not sincere, such a declaration would be a great help in its effect on the Middle East, Africa and Asia. This impact would be largely psychological. It would offer Mr. Nasser an opportunity to withdraw from carrying out his threats, without losing face in the process.

Third Conversation

In a further meeting of the two Prime Ministers later in the day *Mr. Ben-Gurion* referred to the supreme need for peace if Israel were to achieve its national aspirations and meet the requirements of the people. Peace had to be achieved in any case for reasons of moral principle. A great step would be taken if the two Great Powers would declare themselves for the integrity and sovereignty of all nations in the Middle East and insist that peace be kept. What contribution could Canada make? Canada could not dictate to the United States and Russia and her influence fell short of being decisive; but Canada was a great moral factor and had great influence. Mr. Kennedy was about to meet Mr. Khrushchev in Vienna. It would be a great achievement if he could get Mr. Khrushchev to join in a declaration on the need for a negotiated solution in the Middle East. This was attainable if Israel and Egypt could only sit down together. The needs of all people in the area were the same: health, food and education. Israel's youth should be builders, not soldiers and exactly the same applied to Egypt. *Mr. Ben-Gurion* said Canada could have a substantial influence in urging the desirability of a guarantee of national integrity and the need for a peaceful settlement. "This is what I would like you to do," he said to Mr. Diefenbaker. *Mr. Diefenbaker* again said he was not sure a declaration such as Mr. Ben-Gurion proposed, would be effective since the USA would respect its obligations but the Russians would seek to evade theirs. In any event no harm would come from such a declaration and some value might lie in it. He understood the importance for Arab minds of Soviet adherence to such a declaration. Mr. Diefenbaker said he would inform Mr. Kennedy before the President left for Europe and would say that he had been impressed with the presentation of the proposal Mr. Ben-Gurion had made.

Mr. Diefenbaker said he had been invited by President Nasser to visit Cairo this summer but because of pressure of engagements at the time he would not be able to go. He had met President Nasser in New York last Fall and had found him a most unusual personality. He might accept Nasser's invitation later but was not sure now. But he would like to have the opportunity to talk to him. *Mr. Ben-Gurion* said: "Good. You go to Egypt. I would like that." He enquired whether Mr. Diefenbaker would also visit Israel at that time. *Mr. Diefenbaker* said he had rather planned to return Mr. Karamanlis' visit and go to Greece at the time he went to Egypt and he was not sure if a visit to Israel as well would be a practical possibility. He would have the Department of External Affairs see what could be worked out.

649.

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*

CONFIDENTIAL

[Ottawa], July 11, 1961

Attached for your consideration is a draft letter which you might use in replying to Mr. David Ben-Gurion, whose letter of June 12 is attached.†

As the principal subject of Mr. Ben-Gurion's letter is related to the subject to be discussed during Mr. Duncan Sandys' impending visit to Ottawa,² you may wish to send a reply to Mr. Ben-Gurion before the Sandys' visit takes place.

As you know, the internationally recognized capital of Israel is Tel Aviv. You will note that Mr. Ben-Gurion's letter is date-lined "Jerusalem." In order to avoid any misconstruction which

² Voir/See document 510.

could be placed on the way your reply is addressed, it is suggested that your letter to Mr. Ben-Gurion be addressed simply 'Prime Minister of Israel' (with no city mentioned). It is assumed that in any case the letter would be delivered either through our Ambassador in Israel or the Israeli Ambassador here.³

H.C. G[REEN]

[PIÈCE JOINTE/ENCLOSURE]

*Le premier ministre
au premier ministre d'Israël*

*Prime Minister
to Prime Minister of Israel*

Ottawa, July 12, 1961

My dear Prime Minister,

Thank you for your letter of June 12[†] in which you were kind enough to express your appreciation of your visit to this country in very generous terms. I am glad to hear that your trip here was pleasant and instructive. I can assure you that you made a deep impression on each of us and that your presence here will constitute one of our most happy memories.

I concur entirely with your suggestion that in the face of the monolithic communist bloc, the free world should close its ranks as much as possible. Indeed Canada has been one of the most active supporters of this idea in theory and in practice. The Canadian Government has worked earnestly in this direction by encouraging the widest measure of cooperation in all fields of activity among NATO countries and, indeed, among all the nations of the free world, and we shall continue to do so. Furthermore, our efforts have also been directed toward the free countries beyond the Atlantic area which represent such an important element of the free world.

In our efforts to achieve a closer association of the whole free world, we have tried to keep firmly in our thoughts the need to include closer ties with countries such as your own, which are outside our more immediate associations but which share in full measure our devotion to freedom. I think Canada's role in this connection – in the Commonwealth and in our other international associations – should be to try to develop close links between all nations of the free world.

I am,

Yours sincerely,

JOHN G. DIEFENBAKER

³ Notes marginales :/Marginal notes:
Amended by P.M. July 12. [H.B. Robinson]
Amended version seen by SSEA 14/7. R. C[ampbell]

CHAPITRE VIII/CHAPTER VIII
EXTRÊME-ORIENT
FAR EAST

PREMIÈRE PARTIE/PART I

LAOS

650.

J.G.D./845/141L298

*Note du Foreign Secretary du Royaume-Uni
pour le secrétaire d'État aux Affaires extérieures*

*Message from Foreign Secretary of United Kingdom
to Secretary of State for External Affairs*

SECRET

[London], January 3, 1961

I am hoping for a message from the Government of Prince Boun Oum in Laos during the next 24 hours to say that they are prepared to accept back the International Control Commission. If that is so I feel sure you will agree that it is important that we should do everything in our power to get the Commission working as soon as possible. The situation is now extremely grave. I think it is clear that the rebels are trying to take over the whole northern part of Laos and set up a separate régime as they did in the early stages when splitting Vietnam and Korea. In this they are receiving considerable assistance from outside. I fear that if we do not act very quickly we may find a war developing. I have been doing everything in my power to find a way out of this and have come to the conclusion that the International Commission is the only practical solution and the only one on which we are likely to get wide international agreement.

The reactivation of the Commission depends in a very special degree on Canadian willingness to shoulder again the joint responsibilities of what I realize will be an unwelcome task, but I know that in this tight corner I can count on your personal help and understanding.

There is one special point which may cause difficulty. Your people have told us that you may be very reluctant to see the Commission go to Laos until a cease-fire has become effective. Frankly I do not see how this is to be done by simply appealing to the two sides who are now locked in combat. Do you not think that the first step should be for the Chairman of the Commission with a small advance staff to go to Laos and call the leaders of the fighting factions together? This authority would of course be backed up by myself and Mr. Gromyko as co-Chairman and I would hope that the Russians would exert very strong pressure on their people to accept a cease-fire as we certainly should on the Boun Oum Government.

I would be most grateful to have your thoughts about this very urgently as there will only be a short time in which to seize this opportunity.

651.

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 10

Washington, January 3, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 2 Jan 2.†

Repeat for Information: NATO Paris (OpImmediate), London, Paris, Candel New York, Permis New York (Priority).

By Bag Phnom Penh, Saigon, Delhi, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

LAOS – INTERNATIONAL COMMISSION

You will have seen in press reports that the RLG has informed UK that it agrees to the revival of the ICC under certain conditions. UK Ambassador informed me this morning that UK Government has been promised a reply to its representations, and that there had been encouraging interim indications as to the nature of the reply. By way of background to this development you may wish to have the following texts of an aide mémoire given December 31, 1960 by the British Embassy to State Department and the State Department reply, copies of both of which were made available this morning to us by the State Department with the consent of the British Embassy. Texts Begin:

British Embassy Aide Mémoire

As USA Government will be aware, Her Majesty's Ambassador in Vientiane has been instructed to seek the agreement of the provisional government of Laos to the proposal of the Indian Government for a return of the International Commission. The provisional government of Laos have not repeat not so far made a formal reply.

2. Her Majesty's Ambassador is to point out that the proposal has found wide support in the foreign press of all shades of opinion. If the Laotian Government is to enjoy support in its struggle against the Pathet Lao it will have to convince international opinion that it is adopting reasonable policies and in these circumstances UK Government do not repeat not see how the Laotian Government could justify a refusal to accept the return of the Commission at a time when there is heavy fighting and a risk of it spreading. UK Government have little doubt that if there were any discussion in UN there would be an overwhelming majority in favour of the return of the Commission.

3. Her Majesty's Ambassador is to say further that the UK Government do not repeat not accept the assumption that the presence of the Commission would be entirely to the benefit of the Communists. They are doubtful whether the Russians and the Chinese really wish to see it return. Both Mr. Gromyko's note of December 22¹ and the Chinese Government's communication of December 28² state that the Commission must return by arrangement with Prince Souvanna Phouma's so-called government, and the Chinese note goes on to say that its

¹ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), pp. 156-58.

² Voir/See Richard Gott, John Major, and Geoffrey Warner, eds., *Documents on International Affairs, 1960* (London: Oxford University Press/Royal Institute of International Affairs, 1964) pp. 530-31.

return in any other circumstances would be a violation of the Geneva Agreement and quite unacceptable. Both the Russian and Chinese Governments know that UK Government consider Prince Souvanna Phouma as having no repeat no further governmental authority and their conditions therefore can only be interpreted as an impediment to the return of the Commission, either because they consider that the present fighting is bound to turn to their advantage in the long run, or because they do not repeat not wish to give the Boun Oum Government the degree of international recognition which would follow from its having relations with the International Commission.

4. In the view of the UK Government, the proper course of action for the Laotian Government would be to reply to Her Majesty's Ambassador's representations in the following terms. They should say that they have noted the proposal made by Mr. Nehru for the return of the Commission. Their experience of the Commission in the past would not repeat not lead them to think that the Commission could serve a very useful purpose at this juncture, and they could here add such criticisms as they might feel bound to make. They would go on to say, however, that in view of the representations of the Indian and UK Governments they would not repeat not wish to prevent the Commission returning if that were the wish of the other signatories of the Geneva Agreements. They would suggest the best thing would be for the Commission to go back for a set period of three or six months. As a first step, the Chairman of the Commission should get in touch with the Foreign Secretary of the Royal Government of Laos.

5. The Laotian Government would then be in a strong position and it would be for the Russians to make technical difficulties about the proposed conditions.

6. If USA Government agrees with the analysis of the situation on which Her Majesty's Ambassador's instructions are based, UK Government hope that they will be prepared to urge strongly upon the Laotian Government the advantages of the course proposed. British Embassy Washington.

State Department Aide Mémoire

In the light of the considerations set forth in the British Embassy's aide mémoire of December 31, the USA Government agrees that the course proposed therein offers certain advantages under present circumstances of which the Royal Laotian Government should avail itself.

It must of course be borne in mind that successive Lao governments have taken the position that Laos has fulfilled its commitments under the Geneva Agreement. It is also pertinent to recall that on November 2, 1957 the Prime Minister of Laos and Prince Souphanouvong, as representative of the Pathet Lao, issued a joint communiqué in which it was stated that the integration of the Pathet Lao into the national community as envisioned by the political and military settlements then still under negotiation "will entail the *de facto* and *de jure* disappearance of the fighting units of the Pathet Lao."

In a series of subsequent statements all the interested parties indicated that they considered the Pathet Lao to have been fully integrated into the Laotian national community as a result of the conclusion and implementation of the Vientiane agreements of 1957.

The Government of USA would support a reply by the Royal Laotian Government to Her Majesty's Ambassador's representation along the lines suggested in the Embassy's aide mémoire. However, if the Royal Laotian Government proves unwilling to make such a reply USA would be prepared to suggest a less inclusive reply which would cover most of the points suggested in the aide mémoire, but instead of saying that they would not repeat not wish to prevent the Commission returning, the Laotian Government would express a willingness to discuss the matter with the Indian Chairman of the Commission.

In such a discussion the Foreign Minister of the Laotian Government would seek the Chairman's acceptance of the following points:

(1) The Laotian Government's long-standing position that it has fulfilled its commitments under the Geneva Agreement.

(2) The Pathet Lao organization as such, having once been integrated into the Laotian national community, no repeat no longer has any legal standing under the agreement, and its members are to be considered as rebels.

(3) The Government of Laos is now under military attack by the Pathet Lao.

(4) The Laotian Government is determined to defend itself militarily against this threat to its security and integrity and to receive such quantity of armaments as are necessary for the defence of the kingdom.

(5) The Government of Laos would be prepared to request the Commission to return to Laos for a set period of three to six months on the understanding that the Commission would take immediate steps to end the Pathet Lao military operations against the Royal Government, obtain a cessation of the illegal supply of military assistance to the Pathet Lao by the DRV, Communist China and the Soviet Union and the compliance of the latter three with the provisions of the Geneva Agreement.

Department of State, Washington. Ends.

652.

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*

CONFIDENTIAL

[Ottawa], January 4, 1961

RECONVENING OF LAOS COMMISSION

The background to Lord Home's message of January 3 appears to be as follows.

On the basis of conversations with the King and General Phoumi, it was clear by the end of last week that the reply to the United Kingdom representations about the return of the Commission to Laos was likely to be negative. On Sunday, therefore, the United Kingdom Ambassador in Vientiane was instructed to make further representations in Vientiane pointing out

- (a) that the proposal was not Communist but Indian in origin,
- (b) it had wide support in the foreign press; and
- (c) acceptance of the Commission would strengthen the government's position internationally and would not entirely benefit the Communist side,

The United Kingdom Ambassador suggested that the RLG might reply that in view of the representations of the Indian and British Governments, they would not wish to prevent the Commission returning if that were the wish of the other Geneva signatories and that the Chairman of the Commission should approach the Foreign Secretary of the RLG about the Commission's return.

At about the same time, Lord Home approached Mr. Herter arguing that the immediate practical choices were a fact-finding commission sent by the Security Council or the International Commission and urging the latter as being more useful and causing less international fuss. The State Department replied on January 3 that the United States would

support United Kingdom representation in Vientiane for return of the Commission along the lines suggested. In the event that the RLG were unwilling to make the reply suggested by the United Kingdom, but were prepared to discuss the Commission's return with the Indian Chairman, the Americans thought the Laotians would insist on the following conditions

- (a) Acceptance that the RLG has fulfilled its commitments under the Geneva Agreements;
- (b) The Pathet Lao, having once been reintegrated into the national community, no longer has any standing under the agreement and must be considered as rebels;
- (c) The RLG is now under military attack by the Pathet Lao;
- (d) The RLG is entitled to defend itself against the attack of rebels and to receive such armaments as necessary for the defence of the Kingdom;
- (e) The RLG would request the Commission to return for a period of three to six months on the understanding that the Commission would take immediate steps to end the Pathet Lao military operations against the government, to obtain a cessation of the illegal supply of military assistance to the Pathet Lao by North Vietnam, China and the USSR, and the compliance of the latter three with the provisions of the Geneva Agreement.

These conditions, if made by the RLG, would obviously make the Commission's task impossible. There is no indication that in their discussions with the Laotians, the United Kingdom have taken these conditions into account.

On January 3, the United Kingdom Ambassador in Moscow was instructed to see Mr. Gromyko pointing out the danger of the Russians continuing to assist and encourage the rebels, that it was a waste of time to argue about what is the legal Government of Laos, that the only permanent constitutional authorities are the King and the Assembly, and that the important thing was to try and stop the fighting and to restrain foreign intervention. The United Kingdom Ambassador saw Mr. Kuznetsov on January 4 who said he was convinced that the British-French attitude differed from the American position, and that the former were not prepared to differ from the Americans even when they were wrong. It was left that each would report the conversation to their governments.

The RLG note about the return of the Commission was received on January 4. The note makes the following points:

- (a) Past experience does not lead the RLG to believe that the Commission could accomplish very useful results at present;
- (b) The Commission had fully completed its task once and had decided freely to adjourn and leave Laos;
- (c) "Nevertheless in view of the representations made by India and Great Britain, and if the other signatories of the Geneva Agreements desire the return of the Commission, the RLG would wish the two Co-Chairmen of the Geneva Conference to address themselves firstly to the RLG through the Ministry of Foreign Affairs."

The United Kingdom regard the specification of the Co-Chairmen as unsatisfactory (because the Russians presumably would not agree) and are seeking clarification. The United Kingdom wants the Commission Chairman (India) to approach the RLG. Lord Home has sent a message to Mr. Nehru suggesting that if the Russians insist on having no dealings with Boun Oum, the easiest way out would be to avoid all mention of governments when issuing instructions to the Commission. The United Kingdom does not think that the USSR will insist that the Commission should deal only with Souvanna Phouma. The first task of the Commission would be to secure a ceasefire; until this is done, it will not be able to stop the entry of arms and to work for reintegration of the country. Since every day is vital, the Indians are asked to consider whether they should now select a Chairman and be ready to move into Laos if agreement is reached with Mr. Gromyko.

The areas of uncertainty are

(1) *In Washington.* In view of the American thoughts about Laotian conditions to the return of the Commission, it is by no means clear that the United States would be prepared to go along with the imprecise and vague arrangements envisaged by the British.

(2) *In Moscow.* The Soviet views are not yet known and the United Kingdom may be optimistic in thinking they will be favourable.

(3) *In New Delhi.* Mr. Nehru's views on which Laotian government the Commission ought to deal with or whether there should be no mention of any government, are unknown, and will be important.

In particular, the United Kingdom appears to envisage that the first task of the Commission will be to arrange a cease-fire in a civil war, then to stop the introduction of arms contrary to the Geneva Agreement, and subsequently to work for the political reintegration of the country presumably on the basis of the present Cease-Fire Agreement. There is no suggestion as to how the Commission might get new terms of reference to fit the altered circumstances.

N.A. ROBERTSON

653.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au Foreign Secretary du Royaume-Uni*

*Secretary of State for External Affairs
to Foreign Secretary of United Kingdom*

SECRET

Ottawa, January 4, 1961

I wish to thank you for the message received through your High Commissioner about Laos. I would say immediately that the efforts of the United Kingdom Government to reach a political solution of the situation in Laos are welcomed by us here and that your specific proposals are being studied carefully.

You will appreciate that pending clarification as to whether the Government of Prince Boun Oum is in fact prepared to accept back the International Supervisory Commission and under what conditions, we are still not in a position to know whether the Commission would be permitted to function in Laos. As I understand it, you are seeking to clarify through your representative in Vientiane whether proposals on the return of the Commission should come from the Co-Chairmen of the Geneva Conference or from the Indian Chairman of the Commission. I am sure you will also agree that in addition to having the return of the Commission agreed to by the Governments most directly concerned, its terms of reference would have to be quite clear to enable it to operate effectively. We will be in touch with you further about these matters and hope that you will be able to reach satisfactory understandings.

In the meantime, I have received a personal suggestion from Chief Justice Sherwood Lett of the Supreme Court of British Columbia, who was our first Commissioner in Indo-China, that he might undertake in company with his colleagues on the original Commission, Messrs. Desai and Ogradzinski, on a personal basis an exploratory mission in Laos which could suggest to the Governments concerned the terms of reference and conditions which would enable the International Supervisory Commission to do a useful job. I must emphasize that this has been put to me as a personal suggestion by the Chief Justice but in view of his own qualifications and the reputation and influence which he and his colleagues established in Indo-China, and the contacts which they had made there, I thought that I should pass on this suggestion to you for your consideration.

[H.C. GREEN]

654.

DEA/50052-B-40

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

SECRET

Ottawa, January 5, 1961

Dear Mr. Green,

Mr. Robertson gave me last night your message to Lord Home about Laos and I telegraphed it at once to my Government. I am sure they would be most interested in your helpful suggestion.

In the meantime I had reported to London my conversation with you and they have asked me to stress to you that their view is that our first and most urgent objective must be to stop the flow of arms to the Communist rebels and to put an end to the fighting in Laos. In considering what political action might be taken to achieve this they considered *inter alia* the possibility of reconvening the Geneva Conference. They decided, however, that this would be a far too slow and cumbersome instrument to help us to attain our immediate objective.

There would also be great difficulty in getting the agreement of all parties. As I mentioned in our talk, the Americans would be unlikely to find the proposal acceptable. Apart from the complications arising for them from Chinese participation, they were not signatories of the 1954 settlement and have never been very much in sympathy with its aims. Moreover, if the Conference were to be reconvened, the Communist representative would be likely to use it as a sounding board for unhelpful propaganda and there would be a real danger that the Conference would result in a modification of the present settlement in a sense less favourable to the West. You will recall that, even in the Soviet note of the 22nd December, a Conference was only contemplated at a later stage.

My Government are in favour of the return of the Commission since it seems to them to provide the quickest and most effective solution and would probably produce the least problems. Nevertheless, they do not altogether dismiss the idea of some eventual Conference which might or might not be confined to the signatories of the Geneva Agreements, but they feel that this would need more consideration and that the Conference would be designed to deal with different problems. In their view, the first step must be to put an end to the fighting and they feel that only the International Commission can see that this is done. After that, they will be very ready to consider the next stage.

Yours sincerely,

J.J.S. GARNER

655.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire au Royaume-Uni,
à l'ambassadeur aux États-Unis,
au haut-commissaire en Inde*

*Secretary of State for External Affairs
to High Commissioner in United Kingdom,
Ambassador in United States,
High Commissioner in India*

TELEGRAM Y-4

Ottawa, January 5, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: Paris, NATO Paris, Permis New York, Moscow, Warsaw, Canberra, Wellington, Tokyo, Kuala Lumpur, Djakarta, Saigon, Phnom Penh (OpImmediate).

LAOS

We have followed closely the negotiations now in progress to arrive at a political settlement of crisis in Laos. It might be helpful at this stage if we explained somewhat more fully the principal considerations which we have had in mind. We are fully in sympathy with the desire to take action quickly in a situation which is critical. In regard to the suggestion that the International Supervisory Commission should be used for this purpose, we are concerned that it should operate under conditions which would allow it to perform its duties.

2. Following from this are a number of particular points:

(a) In the Canadian view, the reconvening of the ISC without assurance of positive cooperation of the Laotian authorities, would leave it unable to operate effectively and its position would be untenable.

(b) Because of the Poles, representing the Sino-Soviet block, the Commission could not perform any function unless the Poles were prepared to cooperate. This in turn assumes the agreement of the Soviet Union, and, at one step removed, of China. From this we conclude that there is need for basic agreement between the UK and the USSR, the Co-Chairmen of the Geneva Conference, with the concurrence of the other powers directly interested on the following

- (1) that the Commission should return to Laos, and
- (2) its basic duties.

We have no definite ideas on what the Commission's precise terms of reference should be, and would be sympathetic to the suggestion in paragraph two of London telegram No. 45 of January 5,[†] i.e. paragraph twelve of the final declaration of the Geneva Conference of 1954.³ This at least would represent a minimum of agreement on the immediate purposes for which the Commission would return. However, if it were to remain in Laos for a longer period, it might prove necessary to provide more exact terms of reference.

³ Voir/See Denise Folliot, ed., *Documents on International Affairs, 1954* (London: Oxford University Press/Royal Institute of International Affairs, 1957), pp. 138-40.

3. London/Washington/Delhi: Please draw these views to the immediate attention of the Foreign Office/State Department/External Affairs.

4. All other addressees: This telegram is for your information only.

[H.C.] GREEN

656.

DEA/50052-B-40

*Le Foreign Secretary du Royaume-Uni
pour le secrétaire d'État aux Affaires extérieures*

*Foreign Secretary of United Kingdom
to Secretary of State for External Affairs*

SECRET

[London], January 6, 1961

I am most grateful for your message of January 4th and for the sympathetic consideration which you are giving to our proposals. I am most concerned to get some action going quickly. The fighting in Laos is continuing and any turn in the situation to the disadvantage of the Laotian Government may at any moment produce an appeal to SEATO for help. I think that we are very much on the water-shed and must set things running towards a peaceful solution if they are not to turn towards a widening of the conflict.

As regards the attitude of the Laotian Government I think that we have probably got about as far as we can at this stage. They have agreed to receive a formal approach from the Chairman of the International Commission about its return and to examine it sympathetically. My Department have given your people here a copy of the draft message which I propose to try to get the Russians to agree to send to Mr. Nehru. As you will see, it suggests that the Chairman of the International Commission make arrangements *with the Government of Laos*. We have explained to your people that if the Russians refuse this there is a possible fall-back arrangement whereby the Chairman would go first to the King, but in the end he would inevitably have to approach the Government. If at that stage the Government of Laos were to return a negative answer we should all have to think again. I believe, however, that the pressure of international opinion will be too great for them.

As regards the terms of reference, I do not think that we can hope to elaborate new ones. As you will see I propose, therefore, simply to suggest that the object should be to restore peace in Laos and to bring about compliance with paragraph 12 of the final declaration of the Geneva Conference. I believe your Department already feel that this should give the International Commission sufficient guidance, at least in the first stage of the operation.

Finally there is the most interesting idea which you put forward in the last paragraph of your message. In logic I think that there is a great deal to be said for it, and I think that it may well prove helpful at a later stage if it turns out that the Commission then need new terms of reference. In view of the urgency of taking some action, I am, however, reluctant to inject this new idea into the discussion at the moment. I very much fear that the Communists would make difficulties and there is no doubt that the question of which is the legitimate Government of Laos would bedevil the work of the three Commissioners even if the Communists were ready to allow them to go to Laos. I very much hope, therefore, that you will agree not to press this idea which might, I fear, result in delay and thus inaction, at this crucial stage.

All the above is without prejudice to what may be required at some later stage. It is possible that at some later stage all parties will be agreed that some conference will have to meet but the immediate need is to get the Commission working.

657.

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 59

Washington, January 6, 1961

SECRET. EMERGENCY.

Reference: UrTel Y4 Jan 5.

Repeat for Information: London (OpImmediate), NATO Paris, Paris (Priority), Delhi (Priority) from Ottawa.

LAOS – INTERNATIONAL COMMISSION

As indicated in telephone conversation with the Under-Secretary, we will inform the State Department of the views in your reference telegram but before we do so, I feel strongly that we should be in a position to spell out the “minimum of agreement on the immediate purposes for which the Commission would return.”

2. The reason for our concern on this point arises from the fact to which you explicitly refer that there is need for basic agreement between UK and USSR (with the concurrence of the other directly-interested powers) on the purposes for which the Commission should return to Laos. That is to say, the central and fundamental assumption justifying the return of the ICC is that both the western allies and the Sino-Soviet bloc agree that the present East-West confrontation within and outside Laos presents extremely dangerous prospects if it is allowed to continue, and that, therefore, the ICC being still legally in existence, although adjourned, provides the most rapid means of “freezing” the present situation. On the other hand it would, we think, be short sighted (and for Canada as an interested party, a matter of considerable potential embarrassment) if the ICC were to return to Laos with terms of reference so vague as to permit the Sino-Soviet side (including the Poles) to insist upon reading into the Commission’s terms of reference those aspects of the Geneva and subsequent internal Laotian agreements of 1956 and 1957 which they consider favourable to the position of the Pathet Lao.

3. Perhaps the foregoing analysis might be illuminated by describing the various objectives that have been set for resumed Commission activity, some of which are mutually contradictory:

(a) To act as an “international presence” in Laos, with virtually no repeat no practical functions to perform, but, by the very fact of its existence in Laos, contributing to a dampening of international tempers: it seems possible to assume that everyone could agree to this, although it presents some difficult aspects pending a resolution of the legality of the present Laotian Government, and as noted above, the legal basis for the Commission’s terms of reference would have to be examined;

(b) To assist all factions (government and rebel) in Laos to reconstitute the political situation as it obtained at the time of the adjournment of the Commission: this, which is the Sino-Soviet position, would mean the reexecution of the provision of the Geneva Agreements and the subsequent internal Laotian settlements of 1956 and 1957. The RLG and the USA would strenuously oppose such a role for the Commission;

(c) To assist the RLG in preventing outside interference in Laos, contrary to the wishes of the RLG: obviously the RLG and USA desire this, but equally obviously the Sino-Soviet bloc would veto any such explicit terms of reference;

(d) To assist all factions (i.e. the RLG and the rebels, as well as their supporters) to find a new basis for restoring governmental authority throughout a unified Laos. This is, in effect, an investigatory and mediatory role and approximates, we would think, to the proposal which Sherwood Lett has advanced.

4. The emphasis, we suggest, therefore, is that the roles described in 3(b) and (c) above, should be avoided as likely to frustrate any attempt to achieve a return of the Commission: and that, especially from a strictly Canadian point of view, the terms of reference of the Commission must be limited in advance so as to prevent Sino-Soviet exploitation of the legal basis for the continued existence of the Commission and the terms of reference which pertained to its operations prior to adjournment, but which are no repeat no longer relevant to the changed conditions in Laos. In other words, it seems to us that in a reactivated Commission, the Canadian and Indian delegates must be in a position to argue that because of changed conditions the Commission need no repeat no longer consider itself bound by the canons of behaviour appropriate to the situation prior to adjournment.

5. It seems to us, therefore, that at the expense of a short delay, it would be wise to see whether the Soviet co-chairman is prepared to agree to definite but limited terms of reference for a reactivated Commission. If he is not repeat not, then the fundamental assumption justifying a return of the Commission (i.e., that the Sino-Soviet side is satisfied with gains already registered and is prepared to see the Laotian *status quo* frozen for the time being) falls to the ground.

6. We would tentatively suggest that the definition and limitation of the new role might best be accomplished by having the Co-Chairmen agree that the terms of reference would include the following:

- (a) to investigate and report to the Co-Chairmen on the situation in Laos;
- (b) to lend its good offices to assist the RLG and rebel forces to bring about a ceasefire;
- (c) to assist in ending the illegal introduction of arms into Laos; and

(d) to prepare adequate and more detailed terms of reference to permit teams to undertake any necessary inspection which may be agreed. In addition, the terms of reference would presumably refer, as you note in your message, to the principle enunciated in paragraph 12 of the final declaration of the Geneva Conference.

7. You will recognize that the foregoing formulation is intended to accommodate the idea, which your message implies, that the return of the Commission should be envisaged as a two stage operation, the first to get the civil war and outside intervention halted, the second to discover some viable formula for a political solution in Laos.

8. If you agree, I would strongly recommend that you authorize me to expand our views to the State Department on lines similar to those set out above. Otherwise, I fear that we will either run into serious USA opposition, or find ourselves facing involvement in a situation where the two non-Communist Commission members will be unable to defend themselves against charges of failure to resume the implementation of specific provisions of the Geneva and subsequent agreements. In view of the urgency I hope you will be able to instruct us by phone.

[A.D.P.] HEENEY

658.

DEA/50052-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 Y-105

Ottawa, January 7, 1961

SECRET. EMERGENCY.

Reference: Your 13 Jan 7.†

Repeat for Action: London, Washington, Paris (Emergency), Canberra, Wellington (OpImmediate).

Repeat for Information: Permis New York, Moscow, Warsaw, Saigon.

By Bag Tokyo, Kuala Lumpur, Djakarta (OpImmediate), CCOS, CGS, DM/DND.

RECONVENING THE LAOS COMMISSION

I note from the new proposal put to you by Coelho that the Indian Government now proposes that the Commission should proceed to Laos at the invitation of the Co-Chairmen with the consent of the King and while remaining in contact with the King, should deal with the "parties concerned" to secure the cessation of hostilities. We also note that this proposal has been put to the Soviet Government as a basis for reconvening the Laos Commission.

2. You should take the earliest possible opportunity to explain to the Indian Government that while we appreciate their continued effort to find a peaceful solution of the situation in Laos, we cannot agree that the above is an acceptable basis for formally reconvening the Commission.

3. If the Commission were to be formally reconvened, we assume that it would be bound by the Geneva Agreements. Article 25 of the Cease Fire Agreement governing the Commission for Laos says that the Commission "shall be responsible for control and supervision of the provisions of the agreement on the cessation of hostilities in Laos." Both this and the preceding article place the responsibility for carrying out the agreement squarely on the parties to the agreement and make it clear that the ISC was intended to supervise and control an existing cease fire, not repeat not to negotiate one.

4. Moreover, the ISC was set up to control and supervise the implementation of other parts of the agreement reached at Geneva, some of which are not repeat not now applicable and others are fiercely in dispute between the interested powers.

5. While in full sympathy with the efforts being made by the UK and Indian Governments to try to arrive at a basis for a peaceful settlement, we have not repeat not found in the Indian proposals or the other proposals so far put forward for the reconvening of the Commission the basis upon which the Commission would have a reasonable prospect of functioning effectively or avoiding becoming frozen by these unresolved issues.

6. It was to meet these difficulties that I put forward the idea that it would be better to start with an informal exploratory mission preferably composed of the original members of the Indochina Commission. It is regrettable that Desai is not repeat not available but I still think that this approach is more likely than any other to enable immediate action to be taken. The kernel is that the members of the ISC, namely Canada, India and Poland, should meet their responsibilities in regard to the Laotian situation by each appointing a representative to go to Laos with the endorsement of the Co-Chairmen and the consent of the Laotian King with terms of reference such as:

- (a) to ascertain the facts of the present situation;
- (b) to consult with all authorities and parties in Indochina involved in the Laotian conflict, and
- (c) to recommend to the Co-Chairmen and to the governments represented on the International Supervisory Commission the terms of reference under which the International Supervisory Commission could return to Laos and function effectively.

7. This proposal should meet the immediate urgency of the situation by enabling representatives to go out to Laos at once without being held up on the question of recognition. Also by their presence and their availability for consultation with all parties they could, if the necessary cooperation is forthcoming contribute to bringing about a cessation of hostilities.

8. If the above proposals were accepted the responsibilities of these representatives would be clearly within the scope of what can be achieved in the present circumstances and in the spirit of the Geneva Agreements.

For London: Please put the above views to the Foreign Office explaining that since Lord Home's last message (of January 6) was received, we had this further approach from the Indian Government direct contained in Delhi's No. 13, which was obviously intended to move matters further, and that the above comments should be taken as reflecting my views.

For Washington and Paris: Please make above views known to State Department and Quai d'Orsay with reference to Delhi's No. 13 of January 7.

H.C. GREEN

659.

DEA/50052-B-2-40

*Le Foreign Secretary du Royaume-Uni
pour le secrétaire d'État aux Affaires extérieures*

*Foreign Secretary of United Kingdom
to Secretary of State for External Affairs*

SECRET

[London], January 10, 1961

LAOS

I greatly appreciate your help in trying to find a way through the many difficulties and have been considering the proposal which the Acting High Commissioner put to the Foreign Office yesterday for sending a preparatory Commission to Laos before the return of the ICC.

2. My first thought is that the need for the early return of the International Commission has in no way diminished. Indeed I am concerned about the outcome of the present battle for the Plaine de Jarres and fear that at any moment a defeat for General Phoumi's forces could bring the rebels to the gates of Luang Prabang and Vientiane. It is almost impossible to see how intervention by SEATO could be avoided at that stage.

3. I understand that you also feel that we should act urgently and I agree that your proposal would enable an early stop to be put to the fighting. But there are some difficulties about it. The Co-Chairmen are not strictly entitled to send any body to operate in Laos other than what is envisaged in the Geneva Settlement, i.e. the International Commission itself. The preparatory group as at present envisaged in the Canadian proposal would not be within the scope of the Geneva Agreement and some other body than the Co-Chairmen would have to send them there. Furthermore, it is difficult to see that we should gain from trying to negotiate about the terms of reference for the return of the Commission. The Canadian proposal suggests that the preparatory Commission should do this. But any new terms will shape the whole

course of things to come and I fear that the Commission would find itself substantially working out a new Geneva Settlement, a development which I am sure you wish to avoid. And if we do re-open the question, it is certain that the Russians will see to it that we do not obtain anything as good as Article 12 of the final declaration of the Geneva Conference. It also appears that the Indians do not like this suggestion and feel that it would be asking them to act without proper authority.

4. Could not your plan be slightly more closely linked to the Geneva Settlement by being presented in the following way? The Co-Chairmen might ask Mr. Nehru to appoint a new Chairman of the Commission and to send him out to Laos. He would be accompanied only by two fellow members of the Commission to be appointed by the Canadian and Polish Governments. They would operate under the terms envisaged by you, except that instead of evolving new terms of reference for the full Commission, they would simply be asked to report whether they could usefully continue to function in order to maintain the sovereignty, the independence, the unity and the territorial integrity of Laos and to prevent any interference in its internal affairs as envisaged in paragraph 12 of the final declaration of the Geneva Conference. The advantage of this from the Canadian point of view would be that, having put a stop to hostilities and had a look round the country, the Commission would not be committed to further difficult activities without further direction and the agreement of all the Governments concerned.

5. There would still be the difficulty, however, as to whether the Commission should contact the King or the Boun Oum Government in the first place, and we shall have to argue this out with the Americans, the Indians and the Boun Oum Government itself. Even if we all reach agreement between ourselves, there is no guarantee that Mr. Gromyko will accept. However, the United Kingdom Government see no alternative at the moment for which there is any chance of reaching general acceptance. I profoundly hope therefore that you can agree to this version of your plan which I think is consistent with your own intention. I am very worried by the dangers in the present military situation and the trouble for the Western allies which will arise if the United Nations or Geneva Conference solutions have to be adopted. Although we may be driven to the latter if the preparatory group reports that there is no scope for useful work, I would very much like to give this plan an opportunity to succeed.

660.

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 131

Washington, January 12, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Telecon with Under-Secretary Jan 11.

Repeat for Information: London (OpImmediate), Delhi (OpImmediate) from Ottawa, NATO Paris, Paris (Priority).

LAOS

As I reported last evening to the Under-Secretary by phone, I saw Livingston Merchant, Under-Secretary of State for Political Affairs, at some length yesterday afternoon. Parsons, Assistant Secretary for Far Eastern Affairs, his Deputy, Steeves, and others were with him. Rae and Rettie were with me.

2. I began by referring again to Indian and UK pressure for the immediate return of the Commission to Laos, and to the several suggestions from various quarters as to how a practical approach might best be made toward a political solution. We were under an increasingly urgent obligation to respond to messages from Delhi and London. In doing so, we were anxious to have the views of USA authorities in particular as to the suggestion for an exploratory mission which he had communicated to the State Department on Sunday January 8. We understood the State Department was still studying all the proposals put forward from various sources for an internationalization of the situation. What kind of procedure would USA support? It was important to know because of USA interest in the area and because of USA influence with the RLG. The attitude of USA was obviously of great importance in relation to the effectiveness of any international machinery that might be evolved.

3. Merchant said that as yet there had been no repeat no final conclusions reached by the State Department on any of the proposals that had been advanced. Nevertheless, as to the return of the Commission, his own firm view was that recent developments, especially in the attitude of the Indian Government made it highly unlikely that the Commission in any form would achieve any acceptable solution for Laos. This would also be true, he believed, of the Canadian suggestion for an exploratory mission which ICC membership.

4. Merchant enumerated the following aspects of the Indian attitude:

(a) Their unwillingness to recognize the Boun Oum Government. This had been confirmed today by the USA representative in Delhi. (Merchant was aware of, but obviously did not repeat not accept the explanation given to USA representative that the Indian Government did not repeat not want to recognize the Boun Oum Government for fear of prejudicing its impartiality in any role it might play in bringing the two sides together in Laos.);

(b) From all that the State Department could gather about the activities of the International Commission in Vietnam, there was a "firm Polish-Indian axis" operating there. This could be taken to imply a similar development in Laos;

(c) Although not repeat not a controlling element, the fact that, while Indian consultations regarding Laos with the State Department were actually in progress, Delhi failed to inform USA of their approach to Moscow over the weekend. This tended to confirm Merchant's assessment of the Indian attitude.

5. These developments, Merchant went on, led him to conclude that the return of the Commission to Laos would be unacceptable and play into the hands of the Communists. The Indians insisted on equating first the Boun Oum Government and the Pathet Lao (and Kong Lae), and second USA and the Sino-Soviet side. He feared that the consequence of Commission activity would be the ultimate "loss of Laos to the Communists" by a takeover or by gradual submergence; this in turn would lead to a serious deterioration of the situation in the Far East as a whole. USA had earlier supported UK approach to the RLG about a return of the Commission, but the RLG's attitude had since shifted from being receptive to a hardening against the Commission in any form.

6. I told Merchant that we could not repeat not accept his dark assessment of the Indian role in the situation in Laos. It was our belief that the Indians themselves did not repeat not want to see a Communist takeover there. In any event it seemed to us hard to visualize any political solution in Laos without Indian participation. If USA were not repeat not to be budged in their conclusion about action through the Commission what possibilities of internationalization did they foresee?

7. In reply, Merchant referred briefly to the suggestion which had been mooted of a group of neutral Asian neighbours performing some pacifying function, an idea which seemed to find some favour with the RLG. Parsons mentioned the possibility that Prince Sihanouk might be brought into contact with the Laotian King in an endeavour to internationalize the situation,

perhaps through the medium of a neutral Asian group. Within a day or so, Parsons thought, the State Department would be able to indicate “a posture” on the various proposals. At this point Merchant interjected that although he held firmly to the views he had expressed, he wanted us to be clear that none of the outstanding proposals had been discussed finally with the Secretary of State. For the moment he was expressing only his own opinions. The return of the Commission might be acceptable to USA but only under conditions which on present indications the Indians would not repeat not agree to. (We confirmed that these were in fact the conditions specified in USA aide mémoire of December 31).⁴

8. While the other State Department representatives present expressed no repeat no dissent from Merchant’s views as set out above, Merchant did tell me privately immediately after our meeting that we should realize that no repeat no avenues of possible solution would be closed by USA until the new administration took office.

9. I then raised two other points with Merchant, Soviet Ambassador Menshikov’s call on Secretary Herter January 10 and the question of the Harvard T6 Trainers.⁵ Merchant said that Menshikov had simply restated the Soviet Government position on Laos, including the fact that USSR regarded Souvanna Phouma as the Head of the legal Government; reiterated the familiar charges of USA interference in Laos; noted the Soviet agreement to the concurrent reconvening of the Geneva Conference and the return of the Commission to Laos; complained that no repeat no reply had been given by USA to the Soviet approach on the reactivation of the Commission and the recall of the Geneva Conference (Herter clarified for Menshikov that USA had not repeat not received any Soviet note on this question); and flatly denied that there had ever been any Soviet airlift to the Pathet Lao.

10. As regards the supply of aircraft to the RLG, Merchant agreed that this had been largely symbolic but he thought it would be salutary in relation to the RLG itself and also in relation to the restive, and indeed, querulous attitude of other USA allies in the area. Also it should not repeat not be provocative to USSR since he agreed the performance characteristics of the aircraft were not repeat not very high. Indeed on practical grounds the planes could not repeat not have been much more sophisticated because of the inexperience of the Laotian pilots.

11. Merchant concluded his expression of views by pointing out that some of those concerned, specifically UK and France, appeared to believe that USA was in a position to tell the RLG what to do. This was not repeat not the case. The RLG could be expected to hold their own views and act as they saw fit.

12. Our final point concerned the apparent differences in UK and USA appreciation of the military situation in Laos. Merchant conceded that there was a distinct difference on this point. UK appeared to think that the RLG might suffer a serious military collapse within a matter of days. USA on the other hand did not repeat not take such an “alarmist view.” Parsons agreed with this and characterized the military situation as “serious but not repeat not fragile.” Merchant added that he doubted if USSR wanted any major crisis in Laos at this time. There was a measurable difference in pitch in the propaganda on Laos emanating from Moscow on the one hand and Peking and Hanoi on the other.

13. To sum up our conversation, I said to Merchant that I could really take no repeat no encouragement from his remarks. In deciding how to reply to UK and Indian approaches, Canadian authorities would have to make their own decision with no repeat no assurances as to whether or not repeat not USA was prepared to see any given solution proceed and give it

⁴ Voir/See document 651.

⁵ Cela renvoie aux dix avions d’entraînement que la Thaïlande a livrés au Laos au début du mois de janvier 1961.

This refers to ten training aircraft delivered from Thailand to Laos in early January 1961.

support. Merchant did not repeat not demur. The State Department, he repeated, had not repeat not yet come to any final conclusions on the course which should be followed.

14. The outstanding conclusion to be drawn from Merchant's remarks is, in my judgment, that the State Department, perhaps barring a sudden, and in their view, unexpected deterioration in the military situation, will not repeat not adopt any firm position on internationalization until the new administration takes office. There may well be delay even after January 20. However, unfortunate this may be, it is nevertheless a real obstacle to immediate progress. If the Indians and UK authorities share our view that the cooperation of USA is necessary to ensure the success of any internationalization proposals for Laos, they should understand that an affirmative attitude on the part of USA can be expected to emerge only after the new administration takes office. Apart from expressing this view, you will agree I am sure that we should be most careful to protect the other opinions given us with such frankness by Merchant yesterday.

15. Since dictating the foregoing, we have received your telegram to London Y11 January 11.† If UK authorities accept the procedure outlined in paragraph 6 of that message they will presumably be approaching the Indians, and if agreement can be reached with Indians and ourselves, they would presumably approach Soviet Co-Chairman. In view of the nature of the State Department position reflected in the foregoing report, and the importance of ensuring at least USA acquiescence in any move in the direction of reactivating the Commission, I think the UK authorities should be encouraged to notify USA authorities of whatever proposition may be agreed before a formal communication is made to Soviet Co-Chairman. It might also be advisable to impress the same view on the Indians.

[A.D.P.] HEENEY

661.

DEA/50052-B-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], January 14, 1961

LAOS

During the past ten days, there have been intensive diplomatic exchanges between the United Kingdom, India, Canada and the United States aimed at reaching agreement on how best the Co-Chairmen and the Commission powers might discharge their responsibilities for restoring and preserving peace in Laos. While there has been a good deal of common ground between the United Kingdom, the Indians and ourselves that the first task to be performed in Laos is limited in scope and time, there have been differences on some fundamental issues, and also on procedures. The aim of these negotiations therefore has been to discover a formula which would be acceptable to the Laotians, the Co-Chairmen, the Governments represented on the Commission and to the interested powers. Throughout these negotiations, we have been careful to keep the French, the Australians and the New Zealanders informed of our views.

2. You will recall that in a message to Lord Home on January 4 (our Telegram Y-3 of January 5) I put forward Chief Justice Sherwood Lett's suggestion that he, in company with his colleagues on the original Indochina Commission might undertake on a personal basis an exploratory mission in Laos which could suggest to the Governments concerned the terms of

reference and conditions which would enable the International Supervisory Commission to do a useful job in the present circumstances.

3. Lord Home's message of January 6 (see London Telegram 61 of January 6) describes the United Kingdom proposal. In essence, the United Kingdom proposed that the Co-Chairmen should invite Mr. Nehru to reconvene the International Supervisory Commission in order (a) to restore peace in Laos, and (b) to take steps to maintain the sovereignty, independence, unity and territorial integrity and to prevent any interference in its internal affairs, by appointing a Chairman who would be instructed to make arrangements with the Laotian Government for the immediate return of the Commission and its operations. Concurrently message were to be sent to India and Canada expressing the hope that they would cooperate in the steps necessary to reactivate the Commission.

4. The Indian proposal (already communicated to the Russians when we were informed of it) is contained in Delhi's Telegram No. 13 of January 7.† The major elements are as follows:

(a) The Commission should proceed to Laos at the invitation of the Co-Chairmen and with the consent of the King of Laos;

(b) the Commission should remain in contact with the King as Head of State and deal with "parties concerned" (thus avoiding the problem of recognition as India and presumably Poland do not recognize the Boun Oum Government);

(c) the Commission should have as its first object to secure a cessation of hostilities.

We have seen difficulties in both the United Kingdom and Indian proposals, first that if reconvened immediately, the Commission would be bound by its existing terms of reference, some of which are no longer relevant while others are in dispute between the powers, and secondly, because the Commission was set up to supervise an existing cease-fire, not to negotiate one.

5. We have pressed on the United Kingdom and Indian Governments the advantages of an informal exploratory mission including the following:

(a) the reputation, influence and contacts of Chief Justice Lett and his colleagues in Indochina;

(b) they could get to Laos quickly and by their presence might relieve tensions and produce a calmer atmosphere;

(c) there would be no need to reactivate the Commission which was set up to supervise a cease-fire not to negotiate one;

(d) they could report on the facts and recommend new terms of reference under which the Commission could return to Laos and function effectively; (Our telegrams Y-105 of January 7 and G-5 of January 8†).

Unfortunately the first Chairman, Mr. Desai of India, is ill and is unavailable. The United Kingdom and Indian Governments also raised objections that an informal exploratory mission would have no legal standing under the Geneva Agreements and that the Co-Chairmen have no authority to invite such a mission to go out. Additionally the Laotian Government might refuse to receive an informal mission as a whole or one or more of its members; this would be less likely if the Commission as set up under the Geneva Agreements were reconstituted.

6. Throughout we have been careful to keep the Americans informed of our proposals and have repeatedly sought their views. At first the State Department thought the idea of an exploratory mission "more realistic than some other proposals" and "nearer the more hopeful end of the political spectrum" (Washington Telegram 78 of January 8†). Latterly, however, it has become clear that the Americans could only command the return of the Commission on certain conditions;

(a) recognition that the Boun Oum Government is the only legally constituted authority;

- (b) the Pathet Lao, having once been integrated into the national community, were now rebels without legal standing who are attacking the Laotian Government;
- (c) the Laotian Government is entitled to receive armaments as necessary for the defence of the Kingdom; and
- (d) the Commission should return for a period of three to six months to take immediate steps to end Pathet Lao military operations and to stop the illegal supply of military assistance by North Vietnam, China and the Soviet Union to the Pathet Lao. (Washington telegrams 10 of January 3, paragraph 6, and 131 of January 12).

It seems probable that there will be no modification of the American position at the end of the Eisenhower Administration and there may be some delay before the new administration can review the position. American support for the return of the Commission will not, therefore, be forthcoming at least for some time. Discussions with the Americans are, however, continuing.

7. In view of the common ground between the British, Indian and our own proposals, we have suggested a compromise procedure (our telegram Y-11 of January 11).† Under our formula, the Co-Chairmen would request India to name a senior representative bearing in mind that such a man would, under certain circumstances, become Chairman of the Commission. He would be asked to go to Laos and consult the King on whether a Commission with the following terms of reference would be acceptable:

- (a) to ascertain through appropriate consultation the facts of the present situation;
- (b) to contribute by consultation and advice to the achievement of a cessation of hostilities; and,
- (c) to recommend to the Co-Chairmen and to the Commission Governments whether the International Commission can usefully continue to function in order to help to maintain the sovereignty, independence, unity and territorial integrity of Laos and to prevent any interference in its international affairs as envisaged in paragraph 12 of the Final Declaration of the Geneva Conference.

If the answer were in the affirmative Canada and Poland would then immediately name their representatives on the Commission.

8. The United Kingdom have accepted this proposal and it has been put before the Americans and Indians. Urgent attempts are now being made to establish agreement between the Americans, British and ourselves as to the text of a letter to be addressed by the Co-Chairmen to Mr. Nehru. If agreement is reached among these three, the draft would then be submitted to the Indians for their comments before being put by the United Kingdom to the Soviet Co-Chairman.

H.C. GREEN

662.

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 162

Washington, January 14, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 158 Jan 13.†

Repeat for Information: London (OpImmediate), Delhi (OpImmediate) from Ottawa, Paris, NATO Paris (Priority).

LAOS

At Secretary of State Herter's request, Lord Hood, Minister of UK Embassy and in charge in Ambassador's absence, (accompanied by Ledward) and I (accompanied by Rettie) met yesterday p.m. with him, Livingston Merchant and Jeff Parsons to discuss the present state of the proposals for the revival of the ICC in Laos in the light of the USA response (contained in our reference telegram) to Lord Home's message of January 11 (delivered to the State Department on January 12).⁶ The response was also intended, Herter said, to include consideration of Canadian views I transmitted to Merchant by letter January 12. † The meeting lasted a full two hours and, though by no repeat no means producing a consensus, was useful in clarifying the similarities and differences between our positions.

2. The cardinal fact emerging from the discussion is that USA remain reluctant to have the Commission return to Laos because they fear that it would facilitate a communist takeover, unless subjected to strict limitations. For this reason, their stated willingness to see it return is made contingent on the acceptance by Soviet Co-Chairman of a condition (in effect that RLG should participate in setting the terms of reference) that he could not repeat not be expected to accept. Due to an oversight, UK Embassy had failed to specify that UK Government wanted to obtain the Soviet Co-Chairman's Agreement that the Commission should "assist in restoring peace" (this corresponds to our proposed term of reference that the Commission should contribute by consultation and advice to the cessation of hostilities). When, at our meeting, UK position was clarified in this respect, the State Department representatives immediately argued (as indeed Secretary Herter argues in his message to Lord Home) that this implied an equation between the RLG and the rebels and hence was unacceptable. Possibly they might accept some such phrase as "cessation of insurgency," but the final position of the State Department on the question of a cease-fire is not repeat not clear.

3. Hood tackled Herter on the question why the terms of reference should provide for contact by the Commission solely with the RLG when there were other interested parties. His object was, I take it, to see whether the State Department would be prepared to bury this condition in a multilateral context. Herter simply stated that ultimately the RLG's consent was necessary. On a slightly different tack, I suggested that what we really wanted was to test Soviet willingness to have a détente in Laos. In doing so, we really should not repeat not invite rejection so long as the RLG's position was protected. This we had had in mind in making our procedural proposals. Herter's response was that he did not repeat not believe it wise to give Gromyko a document to sign that was ambiguous: he would much prefer to "be frank than finagle" with Gromyko, throwing the onus of a rejection on him immediately rather than on the Boun Oum Government at a later stage. Parsons added his view that the type of détente the USSR wanted in Laos would be all in favour of the Pathet Lao and implied doubt whether the Commission could prevent this. There was thus no repeat no resolution of this central point. There was, however, a good deal of discussion of procedural points.

4. Three questions, in essence, were considered:

(a) Who should approach the Laotians about the return of the Commission?

USA draft of the Co-Chairmen's message (our reference telegram) specifies an Indian Chairman. So does UK draft. At some length, I pointed out proposal specified only "an Indian," a senior representative who would get things moving (e.g. towards a détente) without committing any one on specific terms of reference or even on a revival of the Commission (which might automatically imply the applicability of the terms of the old agreements).

⁶ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Bureau, 1994), document 5, n. 1.

(b) Who should be approached?

Initially, in all our views, the King should be approached (UK Embassy representatives did not repeat not orally raise the question of omitting the reference to the King as described in London's telegram 139).†

(c) Who should give the effective response?

Hood and I argued in common that the King alone could and should do so. As constitutional monarch, he would seek advice and this could be assumed to come from the Boun Oum Government. The State Department representative argued that the RLG (as in USA draft Co-Chairmen's message in our reference telegram) or, as Herter suggested, "persons as he may authorize" must be specified as participants in this process. Otherwise the Indian Chairman (or, under the Canadian formula, the "Indian") could go and consult any one, even Souvanna Phouma or Prince Souphanouvong. What either of these might agree to by way of terms of reference might be disastrous. I said I thought our formula could avoid such a development. Specific terms of reference, if any, for a revived Commission would be recommended only at a later state, and the recommendation would be that of the Commission (under its limited terms of reference) and would have to be unanimous. In addition, USA formula provided no repeat no safeguard because the term "RLG" was itself ambiguous enough in theory to encompass Souvanna Phouma. Alternatively, if it were not repeat not ambiguous, it would inevitably attract the Soviet Co-Chairman's veto.

5. Finally, after a good deal more talk, it became evident that all of us required more time to consider the various suggestions put forward. Herter therefore suggested that perhaps we should meet again after there had been further word from London (and Delhi, for the Indian attitude was not repeat not yet known) after the State Department had had an opportunity to get Ambassador Brown in Vientiane to sound out the acceptability to the RLG of some of the suggestions we had discussed. We might meet today or Sunday or more likely Monday.

6. I am not repeat not sure that we have made any real progress on the central problem worrying USA, namely whether a Commission in any form would be useful, but I believe that we did make some impression with our procedural suggestions. Merchant certainly seemed to think that our proposal, working in what was really three stages (exploration, revival of Commission under general but limited terms of reference, and finally unanimous Commission recommendations as to specific terms of reference) could contain enough safeguards to prevent unacceptable risks for the RLG. The present State Department position on the question of the Commission working for a cease fire, however, seems likely to prove a stumbling block.

7. I should also mention that Hood and Herter differed sharply on the question of whether the Indian Government recognized the Boun Oum Government or at any rate would work with it. Hood said UK information was definitely affirmative (as Lord Home said in his message), Herter quite the contrary.

8. With discussion and drafting of proposals going on in several places, consultation between USA, UK and ourselves has become confused and confusing. If this process is to be focussed effectively upon essentials with prospects of useful and early composition of the views of the three governments, we must obviously concentrate our discussions in one place. I suggested by phone to the Under-Secretary this morning that because of the key role of USA that place should be Washington. Do you agree? We now expect that UK and ourselves will be meeting State Department again within a day or so, probably Monday.

[A.D.P.] HEENEY

663.

CEW/Vol. 3175

*Aide mémoire de l'ambassade du Royaume-Uni aux États-Unis**Aide Mémoire by Embassy of United Kingdom in United States*

SECRET

Washington, January 14, 1961

Following the discussion about Laos between Mr. Secretary Herter, the Canadian Ambassador and Lord Hood on January 13, the Foreign Secretary has proposed a revised text of the draft communication from the co-Chairmen of the Geneva Conference to the Prime Minister of India. In it an attempt has been made to meet as many as possible of the points made in the discussion. The text is as follows:

“The co-Chairmen of the Geneva Conference of 1954 have studied Your Excellency’s letter of December 15 in which you suggested to the co-Chairmen that the International Commission for Laos should be reconvened. They share your concern at the present dangerous situation in Laos.

2. In these circumstances the two co-Chairmen are agreed in recommending that the International Commission should reconvene for the following purposes:

(a) to ascertain through appropriate consultations the facts of the present situation and to contribute, by consultation and advice, to the restoration of peace in Laos; and

(b) to recommend to the co-Chairmen and to the governments represented on the International Commission whether the International Commission can usefully continue to function in order to help to maintain the sovereignty, independence, unity and territorial integrity of Laos and to prevent any interference in the internal affairs of Laos, as envisaged in paragraph 12 of the Final Declaration of the Geneva Conference.

The co-Chairmen request you to appoint a representative to go to Laos as soon as possible to explore with the King of Laos whether the return of the International Commission with the duties described above would be acceptable.

3. The two co-Chairmen are sending a copy of this message to the Governments of Canada and Poland and are expressing the hope that, if the answer to the above approach is affirmative, they will immediately name representatives to the International Commission which would then reconvene.”

664.

CEW/Vol. 3175

Note
Memorandum

SECRET

[Washington], January 16, 1961

COMPARISON OF USA, UNITED KINGDOM AND CANADIAN DRAFTS
OF CO-CHAIRMEN'S LETTER⁷

<u>USA</u>	<u>UK</u>	<u>CANADIAN</u>
1. Co-chairmen agree "that it might now be desirable" to reconvene Commission.	1. The Co-chairmen "are agreed in recommending that the Commission should reconvene.	1. (No corresponding term)
2. Co-chairmen request Indians to "appoint a Chairman ... to explore ..."	2. The Co-chairmen request Indians "to appoint a representative to go to Laos as soon as possible to explore ..."	2. (As in UK draft)
3. Chairman should explore "in first instance with the King of Laos" the question of terms of reference.	3. The exploration is "in the first instance with the King of Laos."	3. The exploration is "with the King of Laos"
4. The purpose of the exploration is phrased in two ways: (a) "to explore ... whether terms of reference could be developed under which the Commission could perform a useful function in accordance with such provisions of the Geneva Agreement as the Indian Chairman and the Royal Lao Government may mutually consider still applicable."; (b) "the purpose of the exploration would be to determine the basis upon which" the ICC could help to maintain the sovereignty, etc., and prevent interference, etc.	4. The purpose of the exploration is to ascertain whether the return of the Commission would be acceptable with following duties: (a) Ascertain facts; (b) Contribute to restoration of peace; (c) "to recommend to the Co-chairmen to the Governments represented on the ICC whether the International Commission can usefully continue to function in order to help to maintain the sovereignty, etc. ..."	4. (As in UK draft)
5. Canada and Poland are told of Co-chairmen's hope that they will cooperate to reactivate the Commission "in order to achieve the above objective."	5. The hope is expressed to Canada and Poland that "if the answer to the above approach is affirmative, they will immediately name representatives to the International Commission which would then reconvene."	5. (As in UK draft)

⁷ Pour connaître les causes des différends concernant le libellé, voir *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Bureau, 1994), document 9. Pour le texte final, voir United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), p. 166.

On the causes of the disagreements with regard to the wording, see *Foreign Relations of the United States, 1961-1963*, Vol. XXIV (Washington: United States Government Printing Bureau, 1994), document 9. For the final text, see United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), p. 166.

665.

DEA/50052-B-40

*Note de l'ambassadeur de l'Union soviétique
pour le secrétaire d'État aux Affaires extérieures*

*Memorandum from Soviet Union
to Secretary of State for External Affairs*

1. The Government of the Soviet Union fully understands the anxiety which the Canadian Government shows towards the aggravation of the situation in Laos.
2. As is known the crisis in Laos was caused by direct US interference into domestic affairs of this small peace-loving state. The decisions of the 1954 Geneva Conference on Indochina were rudely violated by the United States. The interruption in the activity of the International Supervision and Control Commission for Laos was used by US aggressive circles for direct interference into domestic affairs of this country – they have inspired rebellion of General Phoumi Nosavan against the legitimate government of Laos headed by Souvana Phouma. The USA is supporting rebels with armaments, ammunition, its military advisers are guiding battle actions of the units of Boun Oum – Nosavan against the forces of the legitimate government of Laos.
3. The rebel group of Boun Oum – Nosavan having used the king and members of the Laos National Assembly, who were taken prisoners by this group, proclaimed itself as “the government of Laos.” This step is justly considered by peace-loving states of Asia as one more measure leading to the aggravation of the crisis and spreading the civil war in Laos.
4. Resigning in a few days, the Eisenhower’s government is taking new steps to spread the hotbed of fire in Laos. In accordance with the foreign press large navy forces of the USA are concentrated in the South-Chinese sea; three aircraft-carriers, some 30 destroyers, more than ten submarines and other ships. A considerable number of aircrafts of the US striking air forces and a group of the American descent troops are thrown into military preparedness. Special military units located at Okinawa island, armed with atomic weapons, are ready, in accordance with the statements of American officials, for military actions in Laos.
5. These actions of the USA, threatening to the peace throughout all the South-Eastern Asia provoke concern and alarms of peace-loving states of Asia, and statements made by state figures of these countries prove that.
6. The Soviet Government fully understands the anxiety of these countries. As co-chairman of the Geneva Conference of 1954, the Soviet Government is taking steps aimed at settling the situation in Laos and restoring peace and calmness in this area.
7. To this effect it would be desirable to refer to the Soviet Government note to the Government of Great Britain, co-chairman of the Geneva Conference, in which the Soviet Government has spoken out for convening a conference of countries similar to the Geneva Conference of 1954, as well as for resuming activities of the International Supervision and Control Commission for Laos.
8. The peace-loving states of Asia share the views of the Soviet Union as it is seen from the statements and proposals by the Governments of India, Indonesia, the Chinese People’s Republic and the Democratic Republic of Viet Nam.
9. The other day the Soviet Government received a message from the head of the state of Cambodia, Prince Norodom Sihanouk. In this message Prince Sihanouk expressed a deep anxiety concerning the aggravation of the situation in Laos and proposes to convene without delay a conference of all the states concerned in one of the neutral states of Asia, namely: states participants of the Geneva Conference of 1954, including the USA, states members of the International Supervision and Control Commission for Laos (India, Poland, Canada), as well as Laos-neighbouring countries (Burma, Thailand).

10. The Soviet Government supports this proposal by the head of the state of Cambodia and considers that carrying out such a conference in the nearest future would contribute to settling the crisis in Laos and to restoring peace in this country.

11. The Soviet Government reckons that the government of Canada, which is a member of the International Commission for Laos and which is interested in restoration of peace in Laos, will positively regard the proposal for holding the above mentioned conference and will render its assistance to calling such a conference in the shortest possible time.

666.

DEA/50052-B-40

*Note de l'adjoint spécial du Bureau du secrétaire d'État aux Affaires extérieures,
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Assistant Under-Secretary of State for External Affairs*

SECRET. CANADIAN EYES ONLY.

[Ottawa], January 17, 1961

Reference: London telegram 169 of Jan. 16, 1961†

LAOS

The Minister does not wish to discourage Rogers, whom he thinks has shown very commendable initiative throughout this Laos affair, but he believes that Rogers was misguided in urging upon the U.K. Foreign Office the view that it would be preferable to obtain Indian approval for the draft letter from the Co-Chairmen before having it put to the Soviet Union. The Minister felt that the U.K. view was sounder, viz. that it is necessary and desirable in the interests of speed for the U.K. to approach the Russians with an agreed tripartite draft without approaching the Indians again.

The Minister has asked that a telegram in that sense be sent to Rogers, so phrased as to avoid giving him any impression that he is being criticized. Perhaps the telegram could indicate some sympathy with the view that we would be on sounder ground if we had prior Indian approval, but that we support the U.K. view in the interests of both speed and getting U.S.A. agreement to the text.

ROSS CAMPBELL

667.

DEA/50052-B-40

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

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

SECRET

[Ottawa], January 20, 1961

In the absence of the High Commissioner I have been instructed to give you the following personal message from Lord Home:

"I am very glad we have been able to agree a text which I can send to Mr. Gromyko. I think he is certain to object that this is a poor substitute for the full return of the Commission but at any rate we can represent it as a start. I hope that the mere fact that we have now entered into negotiation with the Russians will have a calming influence on the situation and will help to deter the latter from stepping up their aggressive actions. We shall do our best to try and get

the agreed text accepted by Mr. Gromyko but if he insists on amendments I shall, of course, let you know and we can then decide whether to accept whatever is proposed.

“I feel sure that Gromyko will press us very hard to agree to reconvene the Geneva Conference, presumably in the extended form proposed by Prince Sihanouk. This is a much wider issue on which we here have not yet made up our minds. Our reply to Gromyko will be that we do not dismiss the suggestion but we would prefer to see what the International Commission have to say before coming to any final conclusion. This will give use a little breathing space and in the meanwhile I shall be in touch with you again on the subject.”

R.W.D. FOWLER

668.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au Foreign Secretary du Royaume-Uni
Secretary of State for External Affairs
to Foreign Secretary of United Kingdom*

PERSONAL AND SECRET.

[Ottawa], January 21, 1961

Thank you for your personal message of January 20. I am glad to note that you will do your best to try and get the agreed text accepted by Mr. Gromyko but that if he insists on amendments you will let me know and that we can then together decide whether to accept what is proposed.

On reading the text of Foreign Office telegram 183 of January 19 to Moscow,† I am seriously concerned about the wording of paragraph 3 of that message. In the oral reply which you have instructed the Ambassador to make to Gromyko's message of December 22, there is a reference to the great difficulties you have had in allaying Canadian anxieties lest an impossible task be placed on the Commission. You also go on to say that it was only by suggesting an operation by stages that you succeeded in bringing us round and that the draft represents the most that we would agree to. You will I am sure recall that the proposal for stages originated with us and that difficulties in arriving at an agreed draft were not primarily of our making.

This explanation, if given by your Ambassador, could be both misleading and dangerous. It seems to me it would be tactically unwise to adopt a defensive attitude in regard to a proposal which was in fact jointly agreed and is moreover fully justified by the facts. Furthermore, if for their own reasons the Soviet Government should decide to reject our proposal, the direct references to a Canadian position could be exploited by them publicly both in driving a wedge between us and in finding a scapegoat.

If Roberts has not yet seen Gromyko, I very much hope that you will find it possible to amend your instructions to him on this point. If he has already spoken along the lines of the instructions sent to him on January 19, and if the Soviet Government reacts in the way I fear, I will have no alternative but to make a clarifying statement of the Canadian position along the lines I have already set forth in my statement to the House of Commons on January 16.

669.

DEA/50052-B-40

*Le Foreign Secretary du Royaume-Uni
pour le secrétaire d'État aux Affaires extérieures*

*Foreign Secretary of United Kingdom
to Secretary of State for External Affairs*

SECRET

[London], January 23, 1961

I am so sorry that our instructions to Sir Frank Roberts should have caused you some anxiety. I thought that they reflected fairly accurately your thinking as you explained it to your House of Commons on January 16th. But you are of course perfectly right in saying that it was you who first thought of the proposal for the return of the Commission in stages and I am sorry if our instructions to the Ambassador on this point were somewhat misleading. I am glad to say that in the event the question did not come up in this form with Mr. Kuznetsov. Sir Frank Roberts pressed our proposal on him as being the maximum on which joint agreement could now be reached: he did not relate this specifically to Canadian views but to the problem of obtaining agreement amongst the many Governments directly concerned. He mentioned the natural desire to pay particular attention to the views of the two Commonwealth members of the International Commission, India and Canada, but only seems to have made use of Canadian views in order to make the point (with which the Russians agree) that the circumstances in 1961 are rather different from those in 1954. I hope you will feel that this was perfectly all right.

I have just seen George Drew. I told him that so far we have had no official response from Mr. Gromyko, but the early indications are that the Russians will make difficulties about the proposal that the Commission should go to the King. I will of course let you know at once directly I hear and consult on further moves.

670.

DEA/50052-B-40

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

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

SECRET

Ottawa, January 23, 1961

Dear Mr. Robertson,

I think you and the Secretary of State for External Affairs will be interested to know the result of our approach in Moscow about Laos.

I therefore enclose for your information a report by Sir Frank Roberts on his talk with Mr. Kuznetsov which he has forwarded by telegram and supplemented in a further message.

Yours sincerely,

J.J.S. GARNER

[PIÈCE JOINTE/ENCLOSURE]

Rapport sommaire de l'ambassadeur du Royaume-Uni en Union soviétique

Summary Report by Ambassador of United Kingdom in Soviet Union

I carried out your instructions this afternoon with the Acting Foreign Minister who apologised for not having been able to see me sooner. This delay may have been partly connected with the United States Ambassador's call on Mr. Khrushchev at the latter's request this morning. I spoke on the lines of paragraph 2 and the first sentence of paragraph 3 of your telegram under reference before handing over suggested text of joint message to Mr. Nehru. After Mr. Kuznetsov had read it I explained that we had not been able to reply sooner because many other Governments were concerned and that we naturally had to pay particular attention to the views of the two Commonwealth members of the International Commission, India and Canada. As regards Canada, I concentrated upon the Canadian Government's anxiety that an impossible task should not be put upon the Commission and mentioned the Canadian argument (which is also that of the Russians) that the 1961 circumstances are very different from those of 1954. I then dealt with the problems of the legitimate Government of Laos and aid from outside on the lines of paragraphs 3 and 4 of your telegram 184, and paragraph 4 of your telegram under reference. I then explained our position in regard to the proposed Geneva-type Conference and covered the points about a communication to the Polish and Canadian Governments and publicity (paragraphs 9 and 11 of your telegram under reference).

2. Mr. Kuznetsov said his Government would study our proposed message and prepare their reply. He appreciated the additional clarifications I had given him which would help his Government to understand what we proposed. They recognised that the United Kingdom was exerting great efforts in seeking a solution to the Laotian crisis.

3. Mr. Kuznetsov said that the Soviet position had not changed since their Note of 22nd December. Subsequent developments had been Prince Sihanouk's proposal for an enlarged Geneva-type Conference to which the Soviet Government had agreed, and Mr. Nehru's message to Mr. Khrushchev on 10th January proposing a return of the International Commission. Mr. Khrushchev had now sent a reply to Mr. Nehru and had yesterday also sent a personal message to the Prime Minister in the context of this exchange with Mr. Nehru. He gave me a copy of the Russian text.

4. Mr. Kuznetsov described Mr. Khrushchev's message to the Prime Minister as setting out the Soviet understanding of the position in Laos, and as suggesting urgent measures to prevent a widening of the conflict to safeguard the interests of the Laotian people and to preserve peace throughout the whole area. It confirmed the Soviet Government's support for reconvening the International Commission, but suggested conditions in which the Commission could work effectively to achieve its goals. These were in the Soviet view approximately the same as the objectives stated in our proposed message to Mr. Nehru. But while we might be agreed on the goals, a first reading of our message left him with the impression that the ways and means we suggested would not lead to liquidating the present strained situation. We seemed to be supporting the United States' contention that only the rebel group under Prince Boun Oum should be recognised and that Prince Souvanna Phouma and in Laos others who represented the majority, should be ignored. The King was in fact a prisoner and consultation with him meant recognition of the rebels instead of the progressive forces. This Kuznetsov could not accept. He urged us to see the situation as it really was and to recognise Prince Souvanna Phouma's Government as the only legal one. Could I explain to him how under our proposal the International Commission could achieve its task of stopping the fighting? How could it visit the various areas most of which were not under "rebel" control, and with whom should it in our view consult?

5. I said that we did not of course accept that the King was a prisoner and I hoped that Mr. Kuznetsov would not expect us to go over yet again our respective arguments in favour of this or that Government. We were convinced that our view was constitutionally sound but we were not pressing the Russians to accept it; nor should they expect us to accept their view. The only way we could make progress, and I thought this was also the Indian view, was for the Indian representative to make his proposal to the King. This would not in our view preclude the Commission dealing with other authorities as well as with the Laotian Government, and it clearly could not perform its task unless it got into touch with all the major parties concerned, whatever our own and Soviet views might be on their legal authority. If he did not think this could be done the Indian representative would presumably recommend against reconvening the Commission and the two co-Chairmen would have to reconsider the situation. We thought, however, that the mere presence first of the Indian representative and then as we hoped of the full Commission would itself have an immediate stabilising effect. In any case we were convinced that this was the only way in which early stabilising action could be taken. We should not make rapid progress if we now tried to work out terms of reference more detailed than those suggested in our draft message, and we could see no way in which general agreement could be reached between all the parties concerned for the return of the Commission except through an approach to the King.

6. Mr. Kuznetsov said that the Soviet Government could not regard the King as an objective or independent authority since he was in the hands of Prince Boun Oum. Our proposal therefore amounted to inviting the Russians to address themselves to those whom they regarded as rebels through the King. I reminded him that the Indians were themselves in favour of an approach to the King, and they would hardly have taken this position if the result would be as stated by Mr. Kuznetsov. Nor should he assume that the procedure we were suggesting would necessarily be favoured by the Laotian Government.

7. Mr. Kuznetsov then changed his ground and said that it was surely clear even on our own showing that it was taking a considerable time to get the Commission back and that it might take still longer to reach agreement upon the ways and means of doing this. Our conversation had already shown that it was necessary to have some discussion of the terms of reference of the International Commission since the problems were different from those which had existed when the Commission was first set up in 1954. While the Soviet Government were very happy to discuss these matters with the United Kingdom co-Chairman, they in fact required a wider consultation going beyond the two co-Chairmen and even the three members of the International Commission. He doubted therefore whether it would necessarily prove the quickest method to concentrate first upon the Commission. The procedure proposed in Mr. Khrushchev's letter to the Prime Minister under which a Geneva-type Conference on the composition of which we might have suggestions to make would meet and direct the International Commission might prove the quicker and more practical course.

8. I replied that I had not had time to study Mr. Khrushchev's letter but that I still could not understand how the Soviet Union proposed to get such a Conference quickly together. Laos must be represented but our two Governments and no doubt many other Governments would be in complete disagreement as to who should represent Laos. There were other important countries whose presence was essential but who were unlikely to reach such a decision quickly. I urged Mr. Kuznetsov therefore to consider our proposal as the most if not the only practical way of taking early action which we both agreed was necessary, and not to regard it as limiting the contacts of the Commission to the Government of Prince Boun Oum; and I emphasised that this proposal was, in our view, the maximum upon which general agreement among the various Governments concerned could now be reached.

671.

DEA/50052-B-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], January 26, 1961

LAOS

I am attaching the text of a message to you from Prince Sihanouk, the Chief of State of Cambodia, in which he urges the convening of a conference "to determine the means of restoring peace in Laos and give the Laotian people the possibility of clearly and freely expressing its choice as to the political road it wishes to follow." Prince Sihanouk proposes that the conference should include, in addition to the countries represented at the Geneva Conference in 1954, the other countries bordering on Laos and the members (including Canada) of the International Commission for Supervision and Control in Laos. Similar messages were addressed to the thirteen other heads of government directly interested.

2. Also attached for your consideration is a draft message in reply, together with a telegram instructing our Acting Commissioner in Phnom Penh to convey the message to Prince Sihanouk and to make certain oral observations. The text of the reply is likely to be made public wholly or in part in Phnom Penh.

3. As you know, the proposal for a conference, whether with the original Geneva composition or in the expanded form proposed by Prince Sihanouk, has been pressed with increasing insistence by the Communist powers. It is not clear, and may not be clear until the Soviet Government has replied to the United Kingdom proposals concerning the reconvening of the International Commission, whether it is the firm intention of the Communist powers to insist on a conference as a condition of their agreement to the reconvening of the Commission.

4. The reaction of the Western powers, and of the Indian Government, to the proposal for a conference has been cautious. In the replies to Prince Sihanouk of which we have knowledge so far (which include those of Mr. Macmillan,⁸ General de Gaulle, President Eisenhower and Mr. Nehru) there is neither acceptance nor rejection, but rather the expression of conviction that more urgent action is required to deal with the immediate dangers. The draft reply which I am recommending to you, while sympathetic in tone and moderately forthcoming in content, is not, I think, out of line with these other replies.

5. The texts of the other replies referred to in the preceding paragraph are in Mr. Robinson's hands, should you care to see them.⁹

H.C. GREEN

⁸ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), pp. 162-63.

⁹ Note marginale :/Marginal note:

P.M. approved message as submitted. Telegram sent to Comcentre Jan. 28 4:30 pm. H.B. R[obinson]

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Le chef d'État du Cambodge
au premier ministre*

*Chief of State of Cambodia
to Prime Minister*

Phnom Penh, January 1, 1961

Sir,

Cambodia makes it a policy not to intervene in the internal affairs of other States and has always complied scrupulously with this requirement of its neutrality. But it cannot remain indifferent to the situation created on its boundaries by the civil war that is raging in Laos and threatens to degenerate into an international conflict.

In my capacity of Chief of State of a country directly affected by the consequences of the recent events in Laos, may I explain to Your Excellency the problems resulting for Cambodia from the tragic evolution of the Laotian crisis and may I set forth the measures which I think would contribute to bring about a solution.

The most direct and most tangible consequence of the civil war in Laos is the influx of Laotian refugees into our country. Already South Vietnamese have been entering Cambodia for many years and their number is ever increasing.

Now Cambodia is a poor country that is working hard to come out of its state of underdevelopment and it cannot care for a greater number of inactive refugees without seriously jeopardizing its Five Year Plan and its very future.

Several eminent leaders of friendly countries, from the Western as well as the socialist worlds, have told me of their apprehensions in the face of the serious happenings in Laos which have developed into a show of strength between opposing parties. Moreover, Western and Socialist powers are now accusing each other of interfering in Laotian internal affairs, of secretly supplying armed support to rebel groups and of effectively participating in civil war. This new motive for antagonism between the two rival blocs contributes to the increase of international tension and delays the easing up firmly hoped for by all peoples.

Finally Cambodia deems it its duty to raise its voice in defence of its sister nation of Laos, whose existence is greatly menaced. It would be in conformity with the United Nations Charter, both as to letter and spirit, and with the principle of the right of people to choose their own form of government and policy if the Laotian people were allowed to express their will through free elections, without foreign pressure and influence.

No nation, no people in the world can remain indifferent to the sufferings of a peaceful people who recovered their independence a few years ago and wishes to obtain recognition of its sovereign right to decide its own future.

It must be realized that Laos is in a dead-lock today and that force cannot solve the problem resulting rather artificially by a division of this unfortunate country into several rival clans.

The conflicts of foreign ideological interests, and even foreign interference in the present problems in Laos lead us to believe that it would be advisable and urgent to call a conference of all countries who have shown their interest in the future of Laos and the Laotian people. The object of this conference would be to determine the means of restoring peace in Laos and give the Laotian people the possibility of clearly and freely expressing its choice as to the political road it wishes to follow. Any partition of Laotian territory would be strictly excluded.

Such a conference, I believe, could bring together:

– The signatories of the Geneva Agreements of 1954, that is France, Great Britain, the USSR, the Popular Republic of China, the Democratic Republic of Vietnam, the Kingdom of Cambodia and the Kingdom of Laos.

– Those nations that have taken part in the International Supervisory Commissions established under the said Geneva Agreements, namely the Republic of India, the Polish People's Republic and Canada.

It is evident, in fact, that the present situation in Laos is a direct result of the situation created in Indo-China by the Geneva Agreements of 1954. However, it is no less evident that the signatories of the Geneva Agreements and the guarantors of the observance of those Agreements cannot be considered the only parties responsible for the civil war in Laos.

I deem it essential that all countries having a common border with Laos should take part also in the conference planned, that is: Thailand, the Republic of Vietnam, the Union of Burmah. Finally, the United States of America, who have unceasingly shown their interest in the Kingdom of Laos, must imperatively be invited to take full part in this conference.

It is with a wholly unselfish purpose that I take the liberty of submitting this 'round table' proposal to Your Excellency, asking you kindly to let me know of your views on the subject, including any objections, criticism or eventual suggestions, and of any action you may decide to take on the matter.

I shall carefully avoid any prejudging of what may come out of this plan, but I do believe that any nation refusing the proposed meeting would lose much of its moral prestige and the confidence placed in it by the small Asian and African nations.

As a last point, I should like to stress that such a conference ought to meet in a territory internationally recognized as neutral. Switzerland, assuredly, would fit in with this requirement, but it is so far distant from the heart of the problem that it would appear desirable that an equally neutral Asian nation be selected.

Accept, Excellence, the assurances of my highest consideration.

[NORODOM SIHANOUK]

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Projet de réponse du premier ministre
pour le chef d'État du Cambodge*

*Draft Reply from Prime Minister
to Chief of State of Cambodia*

[Ottawa], January 28, 1961

I have given careful thought to the proposals which Your Royal Highness made in your message to me of January 1st. Recent grave developments in Laos have been a source of serious concern to all governments interested in the peace and stability of southeast Asia. I know that these developments must have caused particular anxiety to you, not only because of the common border between your country and Laos but also because of the efforts which you personally have made, in the United Nations and elsewhere, to promote a restoration of tranquility with the fullest international recognition of the territorial integrity and political independence of Laos.

The general position of the Canadian Government is, I think, known to you. We are fully in sympathy with the desire that some appropriate international action be taken urgently in a critical situation. It has seemed to us that in present circumstances the quickest and most

generally acceptable means of alleviating the tension would be to make use of existing machinery, the adjourned International Commission for Supervision and Control in Laos. We have accordingly expressed our willingness, if the Co-Chairmen of the Geneva Conference so request, and if an exploratory approach to the King of Laos, as the only generally recognized constitutional authority of that country, indicates that the proposal would be acceptable, to participate immediately in efforts by a reconvened Commission to contribute to the restoration of peace and to the maintenance of the sovereignty, independence, unity and territorial integrity of Laos. We very much hope that discussions between the Co-Chairmen will result in an early agreement to this end, and that accordingly it will be possible to take the quick action which the situation requires.

In the event that the Commission does return, I can assure you that we shall do our best, in a complex and very difficult situation, to work towards the broad objectives which I have indicated and which I know we hold in common.

I fully recognize, however, that in view of the extraordinary complexity of the present situation in Laos, real stabilization depends ultimately upon general agreement on the principles which should govern a permanent settlement, and that the attainment of such an agreement is likely to require discussion between the principally interested countries. For a long-term settlement we think that some form of conference might well be desirable. The suggestions you have made regarding the membership and objectives of such a conference are, in my view, an important contribution, and I am sure that they will be given the full and careful consideration which they deserve.

672.

DEA/50052-B-2-40

*Note de l'adjoint spécial au secrétaire d'État aux Affaires extérieures
pour le premier ministre*

*Memorandum from Special Assistant to Secretary of State for External Affairs
to Prime Minister*

SECRET

[Ottawa], February 19, 1961

LAOS

There have been two important developments this weekend.

The Soviet reply to the United Kingdom proposals about re-convening the International Commission was received here today. It proposed:

(a) that the Co-Chairmen (U.K. and U.S.S.R.) convene a conference with the membership suggested by Prince Sihanouk (U.S.S.R., United Kingdom, United States, France, China, Laos, Cambodia, Thailand, Burma, South Vietnam, North Vietnam, India, Canada, Poland); this conference would formulate new directives on the basis of which the I.C.S.C. could work to achieve the objectives set out in paragraph 12 of the Final Declaration of the Geneva Conference;

(b) that the Co-Chairmen invite the Government of India to reconvene the I.C.S.C. in Delhi or some other convenient place, perhaps before the conference met; the Commission would then discuss how to resume its activities and what further powers it would require, and would report to the Co-Chairmen.

This United Kingdom letter carried Canadian support and we shall now have to decide what to do about the Soviet reaction.

The other important thing was a declaration by the King of Laos. He announced that he had invited Cambodia, Burma and we believe Malaya to form a Neutral Nations Commission to oversee the neutrality of Laos and stabilize the situation.

The Laotian King's announcement is really an American plan. It gives the appearance of being a genuine move towards neutrality for Laos. In fact it does not go far in that direction and will not be acceptable to the Indians, much less to the Russians or Chinese. Canada did not offer formal comment on the plan when it was put to us by the Americans because it was an alternative to the proposal for re-convening the International Commission to which we were already committed.

If Laos comes up in your talks with the President the following points are suggested:

(a) Canada remains prepared to serve on a re-convened International Commission if this is generally agreed;

(b) We doubt the usefulness of a meeting of the International Commission outside Laos. It would not meet the urgency of the situation and it would be confusing if a Geneva-type conference were being held simultaneously;

(c) What are U.S. views as to what should now be done in the light of this weekend's developments.

H.B. R[OBINSON]

673.

DEA/50052-B-40

*Note du Foreign Secretary du Royaume-Uni
pour le secrétaire d'État aux Affaires extérieures*

*Message from Foreign Secretary of United Kingdom
to Secretary of State for External Affairs*

SECRET

[London], February 20, 1961

You will have had from Canada House news of the reply which the Russians have finally returned to our proposals of January 21st. It is quite clear that the return of the International Commission to Laos is linked firmly with the holding of a conference. The Russians are also insisting, like the Chinese, that both the International Commission and the conference should deal only with Prince Souvanna Phouma. I suspect that their reply was timed to come shortly before the King of Laos broadcast his new plan of which they will undoubtedly have heard. I fear that they will make it clear to the Indians, Cambodians and Burmese that they are unwilling to accept the King's plan as it stands and that a conference must be held to discuss the situation.

Pressure for a conference is, therefore, likely to grow. I have instructed our Ambassador in Washington to suggest to Mr. Rusk that we should be doing some preliminary thinking about the conditions under which we should be prepared to agree to a conference. The two main difficulties are who should represent Laos and how to avoid the conference turning into a slanging match.

The only really satisfactory solution to the first problem would be to get a new Laotian Government including Prince Souvanna Phouma before any conference takes place. I am asking the Americans to consider putting sufficient pressure on General Phoumi to get him to propose terms which Prince Souvanna Phouma might accept. As regards the second difficulty I think that the problem would be diminished if the Soviet Government could be convinced that the United States administration have really taken a new look at the problem. We could then try to extract from the Soviet Government some assurance that the conference would not be

used, particularly by the Chinese for recriminations about the past but to try to produce something constructive for the future.

Meanwhile, I propose to take the line with the Russians that the King of Laos's proposal and the new United States attitude give them the substance of everything for which they have been asking. I shall ask them to consider the new proposal very carefully. At the same time I think that it is important not to give the impression that we are brushing off the Soviet reply. I propose, therefore, to ask the Russians some questions about how they think the difficulties in the preceding paragraph could be overcome and to tell them that we shall be giving their reply very careful study.

I should welcome your thoughts on how we can best proceed in the new situation.

674.

DEA/50052-B-40

*Note du secrétaire d'État aux Affaires extérieures
pour le Foreign Secretary du Royaume-Uni*

*Message from Secretary of State for External Affairs
to Foreign Secretary of United Kingdom*

SECRET

Ottawa, February 22, 1961

Thank you for your message of February 20 about Laos. I am sure you are right in seeking at the present stage to keep the doors open on both the proposal about the International Supervisory Commission and the King's proposal for a neutral nations commission. I agree that it is important to avoid if possible a situation in which the Russians and the Americans have taken opposing positions publicly, and am in general sympathy with the action suggested in paragraph four of your message.

While the King's message is an advance towards the concept of genuine neutrality for Laos, and the United States support for this concept is important and encouraging, it seems to me unfortunate that the King's declaration gave the impression that there would be no broadening of the Royal Laotian Government. The composition of the Royal Laotian Government seems to me of crucial importance, and our Ambassador in Washington spoke to the State Department on this matter last week.

As you know, I have consistently taken the stand that subject to agreement by the Co-Chairmen and with the approval of the King of Laos, Canada is prepared to serve on a reactivated Commission in Laos. We remain so prepared if there is general agreement that the reconvening of the International Supervisory Commission would be useful.

As to a possible international conference on Laos, you may recall that in replying to Prince Sihanouk's message, the Prime Minister recognized that real stabilization would depend ultimately upon general agreement on the principles which should govern a permanent settlement, and that the attainment of such agreement was likely to require discussion between the principally interested powers.

It is clear that the communist countries and many of the non-aligned countries now consider that such discussions are likely to be inconclusive in the absence of a conference. I would certainly hope that, if there were to be agreement on a conference, it could be preceded, as you suggest, by some understanding about keeping recriminations to a minimum.

The Soviet Ambassador this morning handed me copies of the Aide Mémoire and the two draft messages, and asked for our views on them. I told him that we would study these documents and would be in touch with him later.

H.C. GREEN

675.

DEA/50052-B-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], February 23, 1961

LAOS

Except for very minor differences at two points, the documents left with you by the Soviet Ambassador on February 22 are identical with the texts of the Aide Mémoire and draft messages given to Sir Frank Roberts in Moscow on February 18 and already received from the United Kingdom. The texts in English are in London telegram No. 661 of February 20. (Copy attached).†

2. You will recall that on Wednesday morning, Mr. Aroutunian asked when he could have a further talk with you about Laos. You said that after the documents had been studied, you would be in touch with him. To ensure that views which the Soviet Ambassador transmits to Moscow are precisely those which you wish him to transmit, you may think it desirable to hand him an Aide Mémoire. A draft is attached for your consideration.¹⁰

N.A. R[OBERTSON]

[PIÈCE JOINTE/ENCLOSURE]

*Aide Mémoire**Aide Mémoire*

Ottawa, March 2, 1961

The Canadian Government has the following comments on the views of the Soviet Government about Laos as set out in the proposals left by the Soviet Ambassador on February 22.

1. For many years, Canada has been anxious that the sovereignty, independence, unity and integrity of Laos and peace and stability in Southeast Asia should be maintained. Canada regards the present situation in Laos as serious, and is therefore pleased to note that the Soviet Government considers that steps should be taken towards the preservation and strengthening of the sovereignty, independence, unity and territorial integrity of Laos and the prevention of any interference in the internal affairs of Laos as stipulated in Article 12 of the final declaration of the Geneva Conference.

2. The Canadian Government considers the emphasis placed by the King of Laos in his declaration of February 19 on neutrality, and his appeal to all countries to respect the independence, sovereignty, territorial integrity and neutrality of Laos and to renounce all interference in the internal affairs of the Kingdom, even in the form of aid, if not sanctioned by

¹⁰ Notes marginales :/Marginal notes:

Approved by SSEA & initialled 28/2. He does not, however, wish to see Aroutunian himself – USSEA should see him & hand aide-memoire. R. [Campbell] 28/2

Tel. to Moscow, repeated to other posts on Laotian list prepared. 3/3/61. D.M. C[ornett] Given [to] Soviet Ambassador. 2.3.61. N.A. R[obertson]

international agreements, to be a helpful contribution towards the achievement of peace and stability in Southeast Asia.

3. With regard to the suggestion that the International Supervisory Commission for Laos should reconvene, Canada would be prepared to serve on the Commission if there were general agreement that it could do useful work in the present circumstances.

4. It is noted that the Soviet Government is of the opinion that an international conference should be summoned without delay to work our measures for the normalization of the situation in Laos on the basis of the Geneva Agreements and to work out additional instructions for the Commission. In his reply to Prince Sihanouk's message about a possible international conference, the Canadian Prime Minister recognized that real stabilization would depend ultimately upon general agreement on the principles which should govern a permanent settlement, and that the attainment of such agreement was likely to require discussion among the principally interested powers. The text of the Prime Minister's reply to the Cambodian Head of State is attached.¹¹

H.C. GREEN

676.

DEA/50052-B-8-40

*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*

TOP SECRET

[Ottawa], March 23, 1961

LAOS

The following is a summary of what United States Ambassador Livingstone Merchant said to the Prime Minister this afternoon based on an oral report by Mr. H.B. Robinson.

2. Mr. Merchant's main purpose was to impress on the Prime Minister the seriousness of United States intentions. He said that unless the Russians accepted the proposals in the United Kingdom approach, United States forces would move into Laos possibly by paratroop operation. The Americans apparently thought the "job" could be done in forty-eight hours.

3. Mr. Merchant was not specific about what the "job" entailed but said that an important element would be to stop the flow of Soviet supplies to the Pathet Lao. Operations to disorganize the Pathet Lao offensive might also be involved. Nothing was said about how many forces would be used but Mr. Merchant mentioned that there is an American Air Division in Okinawa. The Americans do not expect to use nuclear weapons.

4. The Ambassador said that they thought they had the United Kingdom firmly with them; the language Sir Frank Roberts had been instructed to use when presenting the United Kingdom proposals to the Soviet representative was cited as an example of the degree to which the United Kingdom had lined up with the Americans. Mr. Merchant stressed the need for Western unity and resoluteness which he thought would impress the Russians in the present crisis. There was no request for Canadian approval or endorsement of actions contemplated by the United States.

¹¹ Voir/See document 671.

5. The Prime Minister apparently indicated that the United States could not go on indefinitely giving ground because the will to resist of its partners would thereby be weakened.¹²

D.M. CORNETT

677.

DEA/50052-B-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*

SECRET

[Ottawa], March 24, 1961

LAOS

Mr. Rufus Smith of the United States Embassy called on Mr. Glazebrook on the afternoon of March 23 as a follow up to Ambassador Merchant's call on the Prime Minister.

2. He gave orally a general statement of the President's views as of March 22 stating that Mr. Kennedy regarded the crisis as very urgent and serious which could deteriorate rapidly to the point of disaster. There were two courses open, one political and the other military. On the political side, and with the Geneva Agreements in mind, the United States had thought that the British should reply to the Soviet proposals of February 18 and he outlined the steps in the agreed message to the Soviet Co-Chairman, namely a joint request by the Co-Chairmen for a cease fire, the reconvening of the Commission in New Delhi, a resumption of talks by the Laotian leaders looking to a government of national union, and a fourteen nation conference. He commented that the United States would regard the cease fire as a test or indicator of Soviet intentions which should be apparent very shortly. The conference might take place either after or simultaneously with the resumption of negotiations between the political leaders, but would, of course, be preceded by the cease fire and the reconvening of the Commission.

3. On the military side, the United States would be having consultations in SEATO at Bangkok to see how the Royal Laotian Government might be assisted militarily. An important aspect of these consultations would be to let the SEATO partners and the Russians know that the United States was not prepared to let Laos go by default.

4. Mr. Smith then outlined certain clarifications given by Mr. Rusk in answer to questions as follows:

(1) It was the hope that prior to the conference, the Laotians might form a broad government which might represent Laos. If no government had been formed by conference time, a committee of neutrals (Cambodia, Burma and India) might assist the process by lending good offices.

(2) The Americans do *not* envisage the International Supervisory Commission having any role in bringing about a cessation of arms deliveries.

(3) The International Supervisory Commission should not convene until it was known that hostilities had ceased. No great time interval is expected to be involved.

¹² Notes marginales :/Marginal notes:

Rufus Smith came in this afternoon, so that we could have the same information as Mr. Merchant gave the P.M. He had (he said) the same brief, & while this is no contradiction, the fuller report from Mr. Smith sounds less harsh than the short account via Mr. Robinson. G. G[lazebrook]
Noted. N.A. R[obertson] 23.3-61.

(4) The International Supervisory Commission should not help the Laotians in the formation of a government of national union.

(5) If military action were necessary, it should be of a kind which would best support a political settlement. The provision of helicopters based in Thailand was cited as an example. American representatives, on instructions, were stressing United States determination to support the military alternative if this should prove necessary. A number of preliminary steps were being taken. If military action were required, it might be on the direct request of the Royal Laotian Government to SEATO. If there were such a request, the United States would hope that SEATO would agree on a "prompt, effective and appropriate response."

5. In response to a question, Mr. Smith said he understood that only military moves of a preparatory nature were being made before SEATO consultations took place. When asked what forces would intervene under the SEATO "umbrella," Mr. Smith said he could not say, but mentioned Thai and Philippine troops as being available in the area, in addition to United States forces with the Seventh Fleet. A recent *New York Times* editorial under the heading "While America Slept" was mentioned as an example of responsible criticism in the United States about the administration's handling of the Laotian crisis to date. Mr. Smith thought the President must let Americans know what is at stake in Laos and would do so at his press conference. The United States was not prepared to back down on fundamentals. Mr. Smith said he understood from his Ambassador that the Prime Minister had voiced no objections or disagreement during the conversation earlier in the afternoon.¹³

D.M. CORNETT

678.

J.G.D./MG01/XII/A/330 (Vol.9)

*Note du secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
pour le premier ministre*

*Message from Secretary of State for Commonwealth Relations (United Kingdom)
to Prime Minister*

TOP SECRET

[London, n.d.]

As you know there has been a most serious deterioration in the military position in Laos. It is clear that the Russians are continuing to pour into the country massive quantities of military material and key personnel for the forces of the Pathet Lao. This is far in excess of the aid provided by the Americans to the King's army which is now weak and demoralised.

This is a most grave and anxious situation. You know from our talks in London how strongly it is our wish as it has always been to achieve a settlement by political means which will restore the unity and neutrality of Laos. We are in close touch with the American administration and we know that they fully share our views. President Kennedy made this clear at his press conference last night. But we cannot ignore the possibility that Laos may be completely overrun by the communist forces unless either there is an immediate cease-fire or something is done to redress the military balance.

The United States fully realise the dangers and grave implications of active intervention. We have explained to them our assessment that any direct military action might provoke counter-intervention by the Russians or the Chinese and even if the intervening forces were restricted to a narrow perimeter, this could provoke retaliation and increase the risk of the rest

¹³ Note marginale :/Marginal note:
Noted. N.A. R[obertson] 27.3.61

of the country falling completely under communist control. If a military forces were to occupy the perimeter around Vientiane, we doubt whether the Russians would easily be brought to the conference table so long as it remained there. We do not believe that the Russians want a full scale war but military intervention on our side would give them an excuse for holding off from any form of negotiation. The result might be a stalemate.

But we do not expect that the Americans would feel able to stand aside and watch the complete subjugation of Laos with the probability that the other protocol states would subsequently fall into the hands of the communists one after the other. It might not be long before Thailand, Burma and Malaya were similarly threatened.

Everything now depends on a speedy and favourable response from the Russians to our proposal for a cease-fire coupled with a return of the Commission and followed by an international conference. We were moderately encouraged by the preliminary report from Moscow of their reaction to our message. It may be that they do not mean to press this to a dangerous issue. On the other hand they may intend to play for time until the military situation is irretrievable.

We consider that the Russians must be given every chance to respond to our approach and Kennedy fully agrees with this. However, I must tell you that should the efforts we are all of us making fail to stop the fighting we think it not unlikely that the Americans will feel reluctantly obliged to intervene to present the complete overrunning of Laos followed by the extension of communist control over the whole of South-East Asia.

We held two Cabinet meetings yesterday to consider what we should do in that eventuality and after carefully weighing all the consequences we came to the grave conclusion that it would undoubtedly be our duty to support the Americans should they decide to make a stand on this issue.

If intervention is forced upon us it would be important to do everything possible to avoid hostile reactions elsewhere particularly in the United Nations. We have suggested to the Americans that if SEATO is brought in in a formal way as the organiser of a military expedition, the dangers will be much increased. If on the other hand the Americans were to act themselves with the goodwill and support of the SEATO countries, these difficulties might be reduced.

We have to consider India and our relations with Malaya where our Commonwealth brigade is stationed (though from preliminary enquiries of the Tunku yesterday in London, we think he would be helpful).

Mr. Nehru has today made a most encouraging statement in his Parliament expressing unequivocal support for the proposals we have made to the Russians. I have sent a message to him urging him to exert all his influence with the Russians to secure their acceptance of our proposals.

679.

J.G.D./MG01/XII/B/152.2 (Vol. 35)

*Note du secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
pour le premier ministre*

*Message from Secretary of State for Commonwealth Relations (United Kingdom)
to Prime Minister*

SECRET

[London], April 2, 1961

1. I think you may like to have some account of the talks we have been having with Prince Souvanna Phouma who has been in London for the last two days.

2. We found him appreciative of our proposals to the Russians which he said would be entirely acceptable to him with one or two small amendments. In particular he thought that the International Control Commission would have to supervise the cease-fire from the start.

3. Souvanna Phouma struck us as realistic over the problems of co-operation with the communists. He thought that any interim Government should be under his leadership with representatives of Pathet Lao and Vientiane. He means to keep close control of the key portfolios.

4. We asked him if he thought that the Pathet Lao would accept a cease-fire. He replied that he had sent a message to Xieng Khouang saying that in his view it would be perfectly reasonable to accept a cease-fire before the International Conference was called. He claimed that Kong Lae's troops would do what he told them.

5. He urged that the International Conference should be given terms of reference which would exclude topics other than Laos e.g., Vietnam. A Supervisory Commission would be required to supervise elections in Laos, and its composition would have to be settled by the International Conference.

6. He rather discounted the idea of any formal guarantees for the neutrality of Laos, and seemed to think it would be better if there could be a general understanding about Laotian neutrality just as there is for Cambodia.

7. Macmillan and Home will be in Washington on Tuesday and will have further talks with Kennedy.

We were much encouraged to have Green's assurance that Canada is prepared to play its part in the International Control Commission.¹⁴

680.

J.G.D./MG01/XII/B/152.2 (Vol.35)

*Note du secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
pour le premier ministre*

*Message from Secretary of State for Commonwealth Relations (United Kingdom)
to Prime Minister*

[London], April 3, 1961

You will have had from our High Commissioner the full text of the Russian note¹⁵ which reached us yesterday. We regard this reply as highly encouraging and are glad to note that Kennedy has welcomed it.

Our Ambassador in Moscow has been instructed to thank the Russians for their prompt reply and to express appreciation of its generally helpful tone.

Home will discuss with the Americans in Washington on Tuesday the terms of the reply to be sent to the Russian note particularly on arrangements for the International Conference.

Meanwhile we are seeking one clarification from the Russians. Our Ambassador in Moscow has been instructed to speak to them as follows: "The Soviet Government should be in no doubt of the sincerity of our desire for a conference at the earliest date. We have only one reservation about this; we would not be prepared and would find it difficult to persuade some of our friends to come to the conference table in circumstances where military action on the

¹⁴ Note marginale :/Marginal note:

Noted by P.M. April 3/61. [H.B. Robinson]

¹⁵ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), pp. 170-71.

ground could be used as an instrument of pressure in the negotiations. For this reason we think it essential that the cease-fire should be confirmed before the conference begins. We would, however, be prepared to agree that the co-Chairmen should issue invitations to the conference immediately after their appeal for a cease-fire and before the International Control Commission has reported to them that it was effective. However, invitations issued in this way would be on the clear understanding that the conference would not convene until the Control Commission had so reported. In short the order of proceedings in our view could be as follows

- (1) the co-Chairmen call for a cease-fire and invite the Indian Government to reconvene the International Commission in New Delhi
- (2) immediately thereafter the co-Chairmen issue invitations for a 14 nation conference
- (3) the International Commission reports to the co-Chairmen that the cease-fire is effective and
- (4) the conference assembles as soon as practicable thereafter."

Our Ambassador in Moscow will also ask Russians whether the Soviet Government had considered the practical difficulties (accommodation, communications etc.) of holding an International Conference of this size in Phnom Penh.

I am leaving on a short visit to Nigeria tomorrow, but my colleagues will keep in close touch with you.

DUNCAN SANDYS

681.

DEA/50052-B-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*

SECRET

[Ottawa], April 6, 1961

LAOS COMMISSION

In anticipation of the reconvening of the Laos Commission, on which agreement may be reached between the Co-Chairmen very shortly, certain plans have been made and preparatory arrangements put in hand. Since the precise scope and probable duration of the Commission's activities are still in some doubt, it has seemed sensible to plan provisionally for the largest contribution that we seem likely to be called upon to make: any part of the planned contribution which is not required can then be cancelled.

2. Mr. Mayrand and Mr. Fortier are standing by to proceed to Delhi at short notice. National Defence is making ready an advance party of four officers to proceed to Delhi when required from the evening of April 7. The senior officer, Brigadier Cooper, will act as military adviser to the Canadian representative on the Commission, while the others will be available for liaison with the Indians about the size of the Commission, administrative and logistic arrangements and various other matters which may arise.

3. Recent messages and statements indicate that there may be a requirement for personnel in Laos very soon to verify the cease fire and to ensure that it is maintained while the conference assembles and deliberates. National Defence are making ready a party of 26, including 20 officers, to be prepared to proceed to Laos if required from April 12. The RCAF would fly them out via Edmonton, Japan and Hong Kong to Saigon, from whence they would proceed to Laos. We have been offered space on this airlift for External Affairs personnel and supplies

proceeding from Ottawa. Canada House is being instructed to remind the United Kingdom of the importance of proper logistic support for the Commission, including transportation (jeeps and helicopters), accommodation and food, and to suggest that these questions might properly be discussed in general terms with the Soviet Co-Chairman.

4. Until such time as the place, date and level of representation are decided, not much progress can be made in planning for the conference. It would however seem reasonable to expect that Mr. Ronning, who was present at Geneva in 1954 and who has wide knowledge of Indochina questions, would be a senior member of the Canadian Delegation. We assume that our main contribution to the conference deliberations would be related to our experience on the Commission and for this reason we would think it desirable that the Canadian Delegation should contain a senior military representative with experience in Indochina. In preparation for the conference, National Defence, in consultation with this Department, are undertaking a review of the work of the Indochina Commissions in order to establish clearly the lessons to be drawn from our six and a half years' experience.¹⁶

G.P.deT. G[LAZEBROOK]
for Under-Secretary of State
for External Affairs

682.

DEA/50052-B-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*

SECRET

[Ottawa], April 17, 1961

LAOS

The Soviet reply to the United Kingdom request for clarification of the procedural aspects of the three stage programme proposed by the United Kingdom was given in Moscow Sunday evening. The highlights are as follows:

(1) The three stages, cease fire, reconvening of Commission and conference to start at Geneva on May 5 are one package and must be agreed by the Co-Chairmen at the same time. The requirement that the opening of the conference be conditional on the existence of a *de facto* cease fire, to be verified by the Commission, is not mentioned in the Soviet note.

(2) *Cease Fire*

The Co-Chairmen are to call on all military authorities, parties and organizations in Laos "to cease fire before the convening of the conference" and representatives of the above are to begin negotiations for an agreement on questions connected with a cease fire. The people of Laos are asked to cooperate with the Commission when it proceeds to Laos on instructions of the Co-Chairmen to supervise and control the cease fire. The Commission's task of verifying the cease fire is not mentioned; there is no reference to an emissary getting in touch with the cease fire negotiators in Laos; and it is clear that the Commission can only return to Laos when the Co-Chairmen agree that it should go and give it appropriate instructions.

¹⁶ Note marginale :/Marginal note:
OK. H. G[reen] 7/4

(3) *The Commission*

The International Supervisory Commission is to convene in Delhi at the call of the Government of India to

- (a) discuss its tasks and functions in supervising and controlling a cease fire;
- (b) report to the Co-Chairmen.

On receipt of instructions from the Co-Chairmen it will proceed to Laos to control the cease fire.

(4) *The Conference*

The Soviet note accepts:

- (a) attendance by 14 nations (Geneva powers, Commission powers and Burma and Thailand);
- (b) Geneva as the site;
- (c) May 5 as opening date.

The Conference is to deal with “the Laotian question” and the Soviet Government proposes that delegations should be led by Foreign Ministers.

2. The main difficulty in the Soviet reply is the insistence on May 5 as the opening date for the conference without any provision for verifying that a cease fire has in fact occurred. If the Soviet proposals were accepted, the West would be committed to negotiation without any guarantee that this would take place free from military pressure, a position which is unacceptable to the United States and to the United Kingdom. As yet, we have no United Kingdom or United States reaction to the Soviet proposals.

3. The role of the Commission would be similar to that discussed earlier. The Commission would in fact discuss how it should go about supervising a cease fire to be negotiated by the parties in Laos and would prepare a report for the Co-Chairmen. Only after the Co-Chairmen agreed on its role and gave it instructions would the Commission proceed to Laos. This would presumably take some time.

N.A. R[OBERTSON]

683.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en Italie*

*Secretary of State for External Affairs
to Ambassador in Italy*

TELEGRAM Y-228

Ottawa, April 18, 1961

SECRET. OPIMMEDIATE.

Reference: London's Tels 1438-1442 of Apr 17.†

Repeat for Information: London, Washington, Paris, NATO Paris, Delhi, Permis New York (for the Minister), (OpImmediate).

By Bag from London: Ankara, DGPO, DMOP/DND.

LAOS

With USA agreement, Roberts has now been instructed to propose to Gromyko that Co-Chairmen issue appeal for cease fire on April 20 and make it clear that both sides in Laos should act on it at once.

2. Roberts is also to clarify with Russians the Commission's role in verifying cease fire before conference and to propose that message to Mr. Nehru inviting him to reconvene the

Commission be sent on April 20. As soon as Commission had met in Delhi, Co-Chairmen would instruct it to proceed to Laos to verify cease fire. (If, however, Russians do not agree to this UK would as second best agree to Co-Chairmen themselves determining when cease fire effective.)

3. Americans have suggested that meeting of emissaries of two sides under a flag of truce should take place on April 22 at Luang Prabang and would hope to see at least a representative of Chairman of ISC present at this meeting. Mr. Rusk is anxious that functions of Commission should not extend beyond "observing and verifying the cease fire."

4. Roberts will also propose drafting amendments as necessary to clarify that cease fire will take place "immediately" and that conference should meet "as soon as possible after cease fire has become effective."

5. Presume you are now ready to fly to Delhi as soon as confirmation is received that Co-Chairmen's message to Mr. Nehru has been sent.

684.

CEW/Vol. 3175

Note de l'ambassadeur aux États-Unis

Memorandum by Ambassador in United States

SECRET

[Washington], April 20, 1961

LAOS

The Under-Secretary telephoned me this afternoon. He told me that he had been asked by the Minister to tell me that he (Mr. Green) had taken "a tough line" with the U.K. High Commissioner on the British attitude in their negotiations with Moscow on the conditions for the cease-fire and conference. Mr. Green thought that we should let the Americans know of the line we had taken which had been confirmed in conversation with the Prime Minister.

2. Garner had reported that the U.K. were accepting the date of May 5 for the conference at Geneva and at the Foreign Ministers level. This despite the conflict with the NATO meeting at Oslo fixed for May 8. The Foreign Secretary would go to Geneva and the Minister of State (Heath) to Oslo; Home would expect to fit in a later attendance at the NATO Ministers' conference.

3. Mr. Green had told Garner that he personally was not planning to go to Geneva on May 5. His mind and his plans were fixed on Oslo and the very important meeting of NATO Foreign Ministers which would be taking place there (incidentally, Home's going to Geneva May 5 would interfere with his arranged reception of the Minister in London in early May).

4. Mr. Green had also criticized what he regarded as the softness of the United Kingdom with regard to the prerequisite of an effective cease-fire. The U.K. should not, he thought, have agreed to the conference until the cease-fire had been satisfactorily settled with the Russians. Now the Russians were going to get their conference; and the Commission and the cease-fire were in limbo.

5. One concrete suggestion did emerge from the Green-Garner conversation. The Minister wondered whether it would not be possible to propose to the Soviets that the first stage of a Geneva conference from May 5 should not be preparatory and at the working level. There had been little or no diplomatic preparation for the conference and such a preliminary period could be constructive as well as avoiding the clash with the Oslo dates.

6. Robertson is not putting any message to us on this nor does he wish any formal communication to be made to the U.S. Government concerning this conversation. We should simply let the appropriate U.S. officials know, when next we discuss Laos, that we have these reservations along the lines indicated.

A.D.P. H[EENEY]

685.

DEA/50052-B-40

Note du premier ministre de l'Inde
Message from Prime Minister of India

[New Delhi], April 24, 1961

I have today received a joint message from the Secretary of State for Foreign Affairs of Great Britain and the Minister of Foreign Affairs of the U.S.S.R. in their capacity as Co-Chairmen of the Geneva Conference suggesting that the Government of India should convene in Delhi the International Commission for Supervision and Control in Laos.¹⁷ The Chairmen have in view that the Commission will discuss the question of the tasks and functions which should be allotted to it after the cease-fire in Laos and present an appropriate report to the Co-Chairmen who will consider the Commission's report and give it directions on going to Laos to carry out the work of controlling the cease-fire.

2. I accordingly have the honour on behalf of the Government of India as Chairman of the International Commission for Supervision and Control in Laos to request you to be so good as to nominate your representative on the Commission. The Government of India have nominated as their delegate and chairman of the Commission Shri S.SEN.

3. Since convening of the Commission I am sure you will agree is a matter of considerable urgency I feel that the first meeting should be held in New Delhi on Friday April 28. I will be grateful for confirmation whether your representative will be able to reach Delhi by this date.

4. It is a matter of great satisfaction to me that a way has been found to put an end to the recent conflict in Laos and steps are now being taken to bring about an understanding between parties to the conflict. I am confident that the united efforts of the members of the International Commission in particular will advance the course of the re-establishment of a stable peace in Laos.

¹⁷ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2934, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), p. 172.

686.

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. 167-61

[Ottawa], April 25, 1961

CONFIDENTIAL

LAOS

Canada participated in the work of the International Commission for Supervision and Control in Laos from August 1954, when it was set up as a result of a decision by the Geneva Conference of that year, until July 1958, when it was adjourned *sine die*. The adjournment took place by majority vote of the Indian and Canadian representatives over Polish dissent and followed two requests by the Royal Laotian Government for the Commission's departure on the ground that the tasks prescribed for it by the Geneva Conference had been fulfilled.

The agreements between the Royal Laotian Government and the Pathet Lao dissidents which constituted the political settlement in 1956-58 proved less durable than had been expected. Since the latter part of 1959 the situation has deteriorated steadily. It has become particularly grave in the past four months, when there has been no general international agreement on which of the two rival Laotian factions is the legitimate Government of Laos.

Negotiations between the United Kingdom and Soviet Governments, which have continuing responsibilities as the Co-Chairmen of the Geneva Conference of 1954, have been conducted with a view to arriving at some agreement, generally acceptable to the parties in Laos and to the countries principally interested, which might put an end to the fighting, restore more normal political conditions, and hence remove a potentially dangerous source of international conflict.

Agreement has now been reached between the United Kingdom and Soviet Governments on the immediate steps required. On April 24, joint action was taken by the Foreign Ministers of those two Governments

(a) to call for a cease fire in Laos;

(b) to invite the Government of India, as Chairman of all three Commissions in Indochina (those in Vietnam and Cambodia have continued in being) to reconvene the International Commission for Supervision and Control in Laos;

(c) to invite governments which were represented at the Geneva Conference of 1954, (Cambodia, North Vietnam, France, Laos, Communist China, South Vietnam, the Soviet Union, the United Kingdom, the United States), governments of other countries bordering on Laos (Burma, Thailand) and governments represented on the International Commission for Laos (India, Canada, Poland) to attend a conference on the settlement of the Laotian problem.

The Government of Canada has been invited by the Co-Chairmen to send a delegation to this conference, which will be held at Geneva and is expected to begin its work on May 12. It has also been requested by the Government of India to appoint representatives to the International Commission for Supervision and Control in Laos which will hold its first meeting at New Delhi on April 28.

The undersigned has the honour to recommend that the invitation to a conference be accepted, that the request to designate representatives to the Commission be met, and that appointments be approved as follows:

Conference:

Secretary of State for External Affairs, Head of Delegation,

Mr. C.A. Ronning, at present High Commissioner in India, Alternate Head,

Mr. P.A. Bridle, at present Ambassador to Turkey, Commissioner in Laos 1955-56, Senior Political Adviser,

A Senior Military Adviser,

assisted by civilian and military staff as required.

Commission:

Mr. Leon Mayrand, at present Ambassador to Italy, Canadian Commissioner in Laos, 1954-1955, Head of Delegation,

Mr. D'Iberville Fortier, at present Acting Commissioner in Cambodia, Alternate and Senior Political Adviser,

assisted by civilian and military staff as required.¹⁸

H.C. GREEN

687.

DEA/50052-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 Y-244

Ottawa, April 27, 1961

SECRET. OPIMMEDIATE

Reference: London Tel 1515 Apr. 22† and Rome Tel 151 Apr. 24.†

Repeat for Information: London, Washington, Paris, NATO Paris, Canberra, Permisis New York, Saigon, Geneva, Wellington (OpImmediate).

By Bag Ankara, Moscow, Warsaw, Tokyo, Kuala Lumpur, Jakarta from London, Phnom Penh from Saigon, CCOS, CGS, DM/DND from Ottawa (OpImmediate).

LAOS ICSC – INITIAL TASKS

Following for Mayrand

1. Terms of reference agreed by Co-Chairmen state that Commission will (a) discuss tasks and functions to be allotted to it after cease fire in Laos; (b) present a report to Co-Chairmen; (c) on receipt of further directions from Co-Chairmen (who will have been informed by parties that a cease fire has been arranged) go to Laos to supervise and control cease fire.

2. The three agreed documents were, as you know, drafted by USSR. They are less precise than earlier UK drafts on several important points, notably (a) timing of cease fire and need for it to be effective before opening of conference; (b) date and procedure for discussions between parties in Laos on detailed arrangements for cease-fire; (c) conditions under which ICSC could proceed to Laos; (d) responsibility of ICSC to verify cease fire and report on its effectiveness to co-Chairmen.

3. UK accepted these Soviet texts (after consultation with USA) only after specific though unwritten assurances had been given by Gromyko and Pushkin on some of these questions.

¹⁸ Approuvé par le Cabinet le 25 avril 1961./Approved by the Cabinet on April 25, 1961.

General assurance was given in categorical terms that texts had been drafted to take full account of UK views and that cease fire should be effective before conference met. No Soviet objection was raised to explicit UK statement of understanding that ICSC would be able to check effectiveness of cease fire once parties in Laos had agreed on cease fire (which in his personal view would not be long delayed after appeal had been issued) ICSC should be instructed by Co-Chairmen to proceed immediately to Laos to verify and supervise it. This, he added, should be completed as quickly as possible.

4. UK understanding was referred to in statement made in UK House of Commons on April 24 as follows "Mr. Gromyko has assured H.M. Ambassador in Moscow of desire of Soviet Government for an immediate cease fire to precede international conference." Parliamentary Under-Secretary added: "We also have to arrange for ICSC to verify that cease fire is being observed. Any substantial violation of cease fire would put all these arrangements in jeopardy. We must of course be satisfied of effectiveness of cease fire before conference meets." In reply to question he said that ICSC "as soon as it is informed that cease fire has taken place will proceed to Laos to verify it in accordance with instructions it will have received from Co-Chairmen."

5. Mr. Rusk has also firmly and publicly taken the position that USA will not attend a conference unless an effective de facto cease fire demonstrably exists. It is not yet clear how much importance should be attached to statement of Chinese Vice-Minister to UK Chargé in Peking that UK understanding is inconsistent with letter and spirit of agreed documents, but coupled with Chinese propaganda insistence on necessity for immediate withdrawal of USA personnel and equipment it is clearly not encouraging.

6. From the agreed texts it seems clear that move to Laos will not be possible until Co-Chairmen have informed ICSC that they concur, presumably after consultation with and consent of parties in Laos. Meanwhile ICSC is asked to discuss its tasks and functions. It is not clear however from documents whether in Co-Chairmen's view this study should be limited to those tasks which could be carried out following a cease fire until such time as ICSC (or some other supervisory body) is given new terms of reference by conference. Because Communists have always insisted that a Laotian settlement should be found within Geneva framework, our impression is that Soviet Co-Chairman, and presumably therefore Pole, have in mind not only immediate but also continuing tasks that ICSC might be called on to assume. Recent messages from Ronning, particularly his 260 of April 4[†] and 319 of April 21,[†] make it clear that Indians are not disposed to view tasks of ICSC as restricted in time. Our own view has been that some form of supervisory machinery will probably be required in Laos for a period which cannot now be foreseen, that any major departure from type of machinery created in 1954 will probably not be generally acceptable and might in any case not be desirable, and that one of tasks of conference at Geneva is therefore likely to be a review of Commission's tasks, functions and powers.

7. During pre-conference period, however, we do not think that ICSC should get itself involved in these longer term problems, which will have to be decided by the conference where all three supervisory powers will be represented and able to express their views. We believe that for the present it should devote its attention primarily to immediate task of ensuring, so far as it is able, that cease fire is being observed by parties in Laos so that conference may take place as planned.

8. It follows from this that we would expect ICSC to give early attention to a plan for its return to Laos as soon as possible after parties have agreed on cease fire. Possibly this move might be in two or more stages. ICSC might recommend size and location of advance headquarters staff, number of teams and personnel required initially and where they should be located, and signals equipment necessary to maintain essential communications. Presumably

such administration matters as transport facilities, accommodation and food will require immediate consideration and might appropriately be brought to attention of Co-Chairmen at this stage. Having in mind confused conditions which are likely to prevail in Laos following a cease fire, and probable absence of transport and communications facilities, we do not repeat not foresee that a full-scale deployment will be possible at once. Perhaps two or three teams at Vientiane, Xieng Khouang, and perhaps Luang Prabang or Thakhek would do for a start. As we see it, task of verifying and observing cease fire will be restricted by human and material means at disposal of ICSC, and during first weeks task in Laos will amount to a holding operation until conference gets under way.

9. While it would probably be unrealistic to expect ICSC to confine itself entirely to immediate task in Laos, we would expect that organizational and administrative matters would take up most of its time in initial stage. If time permits any serious consideration of broader question of future tasks and functions, emphasis should in our opinion be on strengthening of Commission's powers. It would be desirable, for instance, to ensure that members of Commission have complete freedom of movement within Laos while on duty and that parties undertake specifically to enforce, in all areas under their control, respect for members of Commission and to punish in accordance with Laotian laws and customs any person guilty of hindering or obstructing members in performance of their duties.

10. In respect of Article 26 of present CFA, we consider that naming of points at which fixed teams are to be located is unduly restrictive and would prefer to see Commission with power to establish fixed and mobile inspection teams wherever it so decided within Laotian territory. Reference to zones of action in paragraph 3 of same article is unduly restrictive and should be eliminated as well as final clause in that article.

11. As you know, separation of parties into concentration areas in Northern provinces pending a political settlement as provided in Article 14 led to prolonged argument and much difficulty over period 1954-57. If same principle were followed now, area under Pathet Lao control would be much greater and subsequent difficulties more acute. It seems to us that much would be gained towards a speedy settlement if it could be agreed that forces of parties were disarmed and troops concentrated in suitable barracks or camps rather than geographical areas. Internal security would then become responsibility of police. It might be arranged that heavy weapons and mines should be destroyed and disarmed troops employed on reconstruction and works projects.

12. While nothing has so far been said about controlling entry of military personnel and war material, it can be anticipated that this will be one of tasks assigned to Commission by conference. Our previous experience in Laos points to extreme difficulty of effectively controlling entry of war material from North Vietnam by means of fixed and mobile teams since opportunity for successful evasion using jungle tracks is very great. In our view essential requirement for effective arms control are (a) right of access to all airports; (b) right to establish fixed teams where and when required and to send teams freely throughout Laotian territory and (c) right of access to military installations within Laos to check on level of armament and evidence of any build-up. If troops were disarmed initially, subsequent control of agreed level of armament would be correspondingly simplified.

13. While ideas outlined above must be regarded as tentative at this stage and may have to be abandoned or modified following conference, they will indicate trend of our present thinking about continuing role of Commission in Laos.

[H.C.] GREEN

688.

DEA/50052-B-11-40

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

TELEGRAM 1360

Washington, April 27, 1961

CONFIDENTIAL. PRIORITY.

Reference: Our Tel 1286 Apr 21.†

Repeat for Information: London (Priority), Paris, NATO Paris, Permis New York, Geneva (Priority), Delhi deferred Rome from Ottawa, CCOS, CGS, DND, Ottawa from Ottawa.

By Bag Canberra, Wellington, Saigon, Phnom Penh, Moscow, Warsaw, Tokyo, Jakarta, Kuala Lumpur, Ankara from London.

LAOS

On April 26 Usher, Deputy Director Office Southeast Asian Affairs, gave us, in company with two representatives from UK Embassy, some further indication of official level thinking in the State Department on the 14-Nation Conference on Laos. It was apparent from our discussions that UK Embassy representatives had previously been briefed by the State Department along the lines of our reference telegram.

2. Usher began by outlining the following points, which were simply "ideas" to be circulated as a basis for discussion and to elicit the views of others. Final positions had not repeat not yet been formulated.

(a) State Department officials anticipated a long and difficult conference;

(b) They felt that the conference should not repeat not get into any subject other than Laos. It was noted in the discussion that Far East Communists had indicated a desire to deal with situation in Vietnam. Souvanna Phouma might want decisions taken about the establishment of a neutral zone for Burma, Cambodia and Laos. State Department officials thought that Souvanna Phouma's idea, which was a development of Prince Sihanouk's suggestion for a neutral zone comprising Cambodia and Laos, might merit discussion apart from the conference and probably after the conference was finished.

(c) The objectives of the conference were envisaged as preventing a Communist takeover in Laos and ensuring its neutralization. The Western countries should, therefore, during the conference make a patient determined effort to get a unified Laos which would seek to achieve a neutral position in international affairs, but which would be able to preserve itself from subversive efforts directed at a Communist takeover. In the view of State Department officials these objectives might be realized if certain conditions could be met;

(1) a Lao government of capable leaders willing and able to protect Lao interests;

(2) an internal security force which alone would have the responsibility for maintaining law and order;

(3) continued provision of economic aid and assistance through appropriate machinery; and

(4) some international supervisory machinery.

(d) Turning to the likely position of the Communists at the conference, Usher said that USA officials foresaw the following developments:

(1) There would be a sharp dispute over the composition of the Lao delegation;

(2) They expected that the upshot would be that there would be no repeat no Lao delegation seated at the conference but that there might be agreement on "observers" from each side,

that is to say, the RLG and the Xieng Khouang régime. (See discussion of this point below in our paragraph 3(a), particularly with relation to whether there might be just two or possibly three Laotian “sides” represented.)

(3) On the assumption that there were two (or possibly three) Lao factions represented at the conference, then there would be no repeat no universally recognized government of Laos represented. The Communist representatives would then press the view that the first order of business for the conference should be to consider the problem of forming a Lao Government.

(4) The best Western reply to this, in the view of officials, would be to resist a conference decision to assign priority to this question on the grounds that it was essentially an internal Lao matter for the Lao themselves to decide; and that there was no repeat no need for the conference to delay discussing the best means of assuring the future neutrality of Laos until an all-Lao government could be formed. It would be argued that the conference participants, excluding Laos, could probably proceed to set forth their views on the machinery necessary in their view to preserve the neutrality of Laos;

(5) The Western side would at the same time argue as necessary that the Lao negotiate concurrently with the continuation of conference discussions, with a view to achieving internal agreement. If necessary, the West might agree that the conference should extend its good offices in these internal negotiations, possibly by suggesting that Cambodia make its services available. (Usher noted that Sihanouk might, for instance, be able to induce some realism in Souvanna Phouma’s thinking.)

(e) Western strategy at the conference should, in the view of officials, aim at exploiting to the maximum what the State Department was inclined to regard as a fairly firm desire on the part of the Asian neutrals to prevent Communist encroachments on Laos. Usher said that the possibility of a renewal of military activities in Laos during the conference could not repeat not be ruled out. We gathered that he may have had it in mind that the possibility of such action by the Communists might affect Asian neutral firmness. Also Usher noted that in general terms Asian neutral positions at the conference would be inhibited by a desire not repeat not to go too far in opposing the Communist delegations. On the other hand the Communist delegations equally would not repeat not wish to go too far in irritating the Asian neutrals. Hence the best strategy seemed to be for the West to put forward inherently reasonable proposals which would commend themselves to the Asian neutrals, not repeat not only as reasonable in themselves, but also as serving the self interest of these neutrals in contributing to stability in the Southeast Asian area. While on the one hand the Asian neutrals could be expected to argue privately with some force that the military position of the pro-communist Lao factions (Pathet Lao and Kong Lae) was strong, on the other hand they would wish to do nothing publicly at the conference to assist the Communist objective of consolidating military gains.

(f) Usher then outlined the various suggestions put forward by State Department officials for the machinery that might contribute to preserving a unified neutral Laos. The broad scope of these was roughly similar to those described in our reference telegram. Usher’s exposition April 26 however introduced some changes and, because of lack of time, dwelt in considerably less detail on the question by the international control mechanism that might be necessary. The following four points summarize his review of the machinery envisaged:

(1) *Internal Security Force* – The conference might ultimately agree that an internal security force of perhaps 20 thousand men should be established by the Government of Laos, consequent upon the disarming and elimination of all other armed forces in the country. The command of this force should, however, rest with the Government of Laos (the earlier suggestion mentioned in our reference telegram for a neutral commander had been dropped).

(2) *Neutral Military Affairs Commission* – The terms of reference of such a Commission seemed still to be vague in State Department thinking. It emerged however that the Commission was thought of as being comprised of representatives of neutral countries of the area. It had been assumed that a single individual representing a single neutral country would not repeat not like to take on the functions assigned previously to a neutral commander of an internal security force, and furthermore, that even without actual command of the internal security force, no repeat no single neutral nation would wish to assume sole responsibility. Usher incidentally made it quite clear that if this concept were ever to get off the ground, Indian views and suggestions would have to be fully taken into account. Under questioning Usher said that the functions of the Military Affairs Commission might include the following: the initial demobilization of fighting personnel; the phasing out of military personnel in excess of those required for the internal security force; and the provision of training and logistic support to the internal security force. Usher noted that the Commission would presumably be responsible to some conference body, possibly the Co-Chairmen or to the international supervisory mechanism mentioned below. Usher went on to say that the Military Affairs Commission might see to it that the internal security force, as well as the Commission itself, had access to all areas of the country and for this purpose would have to have its own means of transportation and facilities for reporting to headquarters. (It was evident that the characteristics of the Military Affairs Commission had not repeat not been fully delineated in State Department thinking. See our paragraph 3(c) below for some of the discussion that ensued.)

(3) *Development Assistance Agency* – Since some external economic aid and technical assistance was essential in Laos, the Western countries should attempt to have the conference adopt reasonable provisions on this question. Initially, State Department officials would wish to continue to support the UN as the appropriate body to undertake this task, no repeat not just because the Tuomioja Mission¹⁹ had already made a start in this direction in Laos, but also because it was a recognized general responsibility of the UN. Furthermore, the establishment of aid and assistance machinery involved many complex operations which the UN was already fitted to perform, both in terms of expertise and organization. The creation of a new agency would probably be more expensive and less efficient. Nevertheless it was recognized that the neutral Asians might not repeat not, in view of the current USSR attitude towards the UN Secretary-General, be prepared to give strong support to the UN as the appropriate organization for aid to Laos. Also the People's Republic of China and the DRVN would not repeat not be able to make their influence felt if the UN were appointed to this function. Hence State Department officials were inclined to have in reserve a fallback position involving a development assistance agency for Laos which would be operated by the neutral countries of the area and which would obtain competent staff, planners and technicians on a contract basis. Presumably the agency would negotiate loans and the provision of staff, etc. from outside the area. (Here again the ideas concerning the development assistance agency were obviously at a rudimentary stage. See our paragraph 3(c) below.)

(4) *International Supervisory Mechanism* – State Department officials recognize that some form of international control machinery would be necessary, perhaps along the lines of the ICSC under the Geneva Agreements. Usher was no repeat no more specific than in our April 20 conversation as to the exact identity of this machinery and whether it would, in fact, be a modification of the ICSC for Laos. We had the impression however that he was

¹⁹ Voir/See “UN Official in Laos: Hammarskjöld Aide to Spend 6 Weeks in Warring Land,” *New York Times*, February 8, 1961, p. 24.

thinking in this latter direction. In positive terms he indicated that it would have to be more effective than the ICSC had been between 1954-1958, perhaps through the adoption of procedures promoting individual as opposed to group inspections of violations of whatever agreements emerged from the International Conference; that its facilities for moving about and reporting on internal conditions would have to be considerably increased; and that its capacity to assess internal situations in Laos involving the possible renewal of military or subversive activity would have to be increased. In this connection he mentioned approvingly a suggestion which we had mentioned to him on a personal basis some time earlier that the task of the ICSC for Laos would have been much facilitated in 1954 to 1958 if it had had an accurate or reasonably accurate census of the arms and other equipment held by the then contending military forces.

3. The following were the main points which emerged in discussion of the points put forward by Usher (who was incidentally accompanied by Miss Byrne, a former Laotian Desk Officer in the State Department, now engaged upon task force studies for the International Conference; and Mr. Lewis Purnell, on temporary duty for the same purpose from USA Embassy in London).

(a) *Lao Representation at International Conference* – Ledward of UK Embassy referred to a UK suggestion that the conference would have to arrange for the various factions in Laos “to be heard.” He indicated that UK authorities had not repeat not decided whether this meant that Lao representatives could address plenary sessions of the conference or just committees thereof; or whether their views would have to be “heard” through the submission of written presentations to the conference. He noted that a possible precedent for the presence before a conference of a country not repeat not actually participating with voting rights was to be found in the procedures of the UN Security Council, e.g. the appearance of the Communist Chinese was perhaps a case in point. Whatever the arrangements for hearing the Lao representatives might be, he thought that there might be merit in having three Lao factions represented, the RLG (recognized by the West), the Pathet Lao faction, and Souvanna Phouma’s “government.” The objective would be to attempt to encourage Souvanna Phouma to avoid wishing or having to identify himself with the pro-communist elements. Usher agreed that if attainable, this would be an advantage and would also tend to remove Souvanna Phouma from the “atmosphere” of hostility engendered by the Pathet Lao. On the other hand Usher thought that to have all three designated factions represented would confer an advantage on the Pathet Lao in that they could openly urge Souvanna Phouma to bear witness to the justice of the positions they adopted and his inclination might be to fall in with their views because of his distaste for the Boun Oum Government. Usher implied that it might be more advantageous to discourage Souvanna Phouma from easy acceptance of Pathet Lao positions within a delegation under his leadership by including in the RLG delegation neutralist figures such as Phoui and Nouy Abhay. On the whole, however, Usher thought these arguments might be academic and that Souvanna Phouma would continue to insist on the legitimacy of his “government” and on forcing the Boun Oum Government to accept his leadership by joining his “government.”

(b) *Communist Tactics on Lao Representation* – Ledward suggested that it would perhaps be possible to arrange Laotian representation at the conference by means of a provisional government. Alternatively the conference might formally decide that whatever agreements emerged from the conference should be accepted by “all parties” in Laos. It was urged that either of these alternatives might reduce the impact of the demands of Communist delegations that the first order of business of the conference ought to be to arrange for an all Laos Government. We suggested that there might indeed be considerable advantage in having Laos represented by a provisional government rather than presenting Laos, subsequent to the conference, with an international agreement in which they had taken little or no repeat no

direct part in the formulating. State Department representatives did not repeat not rule out such a possibility completely but argued that there was nothing wrong in the conference appearing to dictate to Laos a régime for its neutralization because it was recognized that Laos presented both Communist and Western countries with peculiar and major problems directly involving their interests. Miss Byrne said quite categorically that in any event the Laotians would not repeat not form any kind of a government, provisional or otherwise, until they perceived what kind of a solution to the problem of Laos the great powers were prepared to decide upon. It was clearly recognized by all present however that the likely Communist position about Laotian representation, no repeat no doubt accompanied by demands for immediate or at least early elections in Laos, would be productive of considerable difficulty.

(c) *International Machinery for Laos* – The discussions on this question consisted principally of questions about how State Department officials conceived of this machinery.

(1) For example it was asked how the neutral Military Affairs Commission was to be related to the international control mechanism. In particular was the Military Affairs Commission to fulfill a largely advisory role or was it to have executive functions as well? Furthermore was it intended to take over any of the investigatory functions of the international control machinery of the kind heretofore carried out by the ICSC? Usher, beyond conceding that it did seem as though the Military Affairs Commission ought to have largely advisory functions, said that these questions had not repeat not been worked out and that he would be glad to have these and any further suggestions in order to round out State Department thinking.

(2) Regarding the Development Assistance Agency (or even the possible assumption of this role by the UN) it was asked whether it was desired that conference decisions on this question should be aimed at buttressing directly the other machinery for neutralizing Laos; or whether the intention was simply to attempt through multilateralizing the provision of economic aid and assistance to Laos to reduce cold war friction over Laos and at the same time indirectly encourage economic and social conditions conducive to a neutral status? If the former were the case it was suggested that the development assistance agency might better be conceived of as an exclusive agency for the extension of aid to Laos, and possibly also an exclusive agency for advising on Laotian development planning. If the latter were the case, then the development assistance agency would not repeat not be an essential piece of machinery for maintaining Laotian neutrality, although it would be no repeat no doubt a valuable indirect mechanism to the same end. In further discussion of these points Usher said that so far there had been no repeat no suggestion in the State Department that bilateral aid arrangements were to be excluded. He said, however, that some thought had been given to the establishment of an aid fund for Laos, although the nature of USA congressional aid appropriations, being both annual and subject to stringent legal provisions regarding recipients, rendered the fund concept difficult for USA.

(3) Relatively little was said on the question of the international control mechanism because of lack of time. We pointed out however that Canada as a member of the present ICSC had a particular interest in this question and that we should be most grateful for a fuller explanation of State Department thinking, especially if it was envisaged that there should be any change in the composition of the present Commission. It was also pointed out that while the more elaborate concepts advanced by State Department officials as to a wider range of international machinery in Laos might eventually be found acceptable, it seemed doubtful how far progress could be made in gaining acceptance of these concepts at the conference unless the Western delegations were prepared to take a good deal of the original Geneva Accords as a point of departure. Furthermore, having regard to the important position played by India in the execution of the Geneva Accords and India's inevitable

interest and concern in the area. It seemed likely that some considerable degree of continuity would be unavoidable, at least as far as India was concerned. Usher indicated personal sympathy with these points and enquired how best to relate the forthcoming conference to the results of the earlier Geneva Conference and the subsequent Laotian internal agreements. It was suggested that perhaps a first order of concern should be to have precise ideas about what could be salvaged from the earlier accords and agreements. We had the impression that while State Department officials might prefer to leave it to others to make the running insofar as the Geneva Accords were concerned, since the USA had not repeat not been a party thereto, nevertheless Usher would try to see what could be done about developing a more forthcoming analysis of, and approach to, this question.

4. It was explicitly understood that the views expressed above were exploratory on the part of all concerned. Usher made it very clear, however that the State Department would be grateful to have the views of UK and Canadian authorities on the question raised. For their part, UK Embassy representatives said that they understood a draft treaty such as might be adopted by the International Conference was in the course of preparation in the Foreign Office. It was agreed that a draft of this nature would assist in further discussions.

5. On the whole our impression from these discussions with State Department and UK Embassy officers is that a good deal of hard thought and work will have to be applied to the various questions raised. In addition, so far as Canada is concerned, it is conceivable that the work now being undertaken in Delhi will have a direct bearing on at least some of the aspects of the broader range of problems raised by Usher. Furthermore, the apparent desire of State Department officials to avoid consideration of anything but Laotian problems in the International Conference may in turn have considerable bearing on the prospects for fruitful Canadian participation, for even a limited period, in a reactivated ICSC for Laos. While we have, of course, made no repeat no commitment in these exploratory conversations in the State Department as to either official Canadian views on the questions raised or on our agreement to preconference discussions in Washington (as opposed to, for instance, Geneva or elsewhere) it does seem to us that an early expression of Canadian views would be most helpful to the State Department and would moreover add much to remedy the lack, up to the present time, of adequate diplomat preparation for the International Conference. We should, of course, be grateful for any guidance you can send to us.

6. We apologize for length this message. In view of timetable however, you will wish to have these current views promptly.

689.

DEA/50052-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 Y-247

Ottawa, April 28, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: London, Washington, Geneva, NATO Paris, Paris, Saigon, Permis New York (Priority).

LAOS COMMISSION

Following for your information is message from Mr. Green to Prime Minister Nehru about the Laos Commission transmitted through Indian High Commissioner on April 26. Text

Begins: "Thank you for your message of April 24 informing me of the joint communication received from the Co-Chairmen of the Geneva Conference on Indochina suggesting that the Government of India should convene in Delhi the International Commission for Supervision and Control in Laos, and inviting me to name a representative to the Commission.

2. "I share your view that the convening of the Commission is a matter of urgent importance and I have accordingly appointed Mr. Leon Mayrand as Canadian member of the Commission. Mr. Mayrand is at present en route to Delhi and should arrive in time for the first meeting on Friday, April 28.

3. "In my opinion the arrangements worked out between the Co-Chairmen, including the call for an immediate cease fire to be effective before the International Conference begins its work, constitute an important step toward the restoration of peace in Laos. I welcome the steps now being taken to bring about an understanding between the parties to the conflict. I hope that in considering the question of its tasks and functions the Commission will pay primary attention to the importance of proceeding as soon as possible to Laos in order to ensure that the cease fire is being effectively observed." Text ends.

690.

J.G.D./845/I41L298

*Note du premier ministre du Royaume-Uni
pour le premier ministre*

*Message from Prime Minister of United Kingdom
to Prime Minister*

SECRET

[London], April 28, 1961

I thought you would like to know how we are getting on with our attempts to bring about a cease-fire in Laos.

You will no doubt have seen that the Royal Laotian Government, the Souvanna Phouma group, and the Pathet Lao, have all made broadcasts welcoming the co-Chairmen's appeal for a cease-fire and saying that they are prepared to co-operate. The usual way to arrange a cease-fire is for military representatives of both sides to meet under a flag of truce somewhere between the lines or in a neutral place, and there to agree on a stop to the fighting. This is what we have been trying to arrange, but we have run into certain difficulties. General Phoumi has insisted on an odd sort of proposal whereby his side will stop shooting today and rely on the other side to do the same. I do not think that this will get us anywhere because the communists have made it clear that they want the normal procedure of a meeting beforehand. Prince Souvanna Phouma has suggested that this should be in Xieng Khouang and General Phoumi that it should be in Luang Prabang. I am doing my best to get General Phoumi now to offer a meeting in no man's land and I have asked President Kennedy to do the same.

A difficulty about all this has been that the Russians were unwilling that the co-Chairmen should be used as a channel of communication between both sides, so that everything has had to be done by public broadcast, and this has led to typical Laotian confusion.

You will also have learnt that the Americans have been greatly worried by the fact that the Pathet Lao have continued to advance and the Government troops have put up no kind of resistance. There is little doubt that the Pathet Lao are in a position to seize Luang Prabang and Vientiane between now and the 12th May if they really push ahead. The Americans fear that they will do this, but we ourselves have no evidence at all that this is their intention. Indeed, the Russians have assured our Ambassador in Moscow that they consider that there should be no major military moves between now and the declaration of the cease-fire. I have spoken to President Kennedy about this on the telephone. He was most helpful and promised that he

would get into touch with me if there were any changes in the situation unless it improved or unless a cease-fire were brought about.

Another bad factor has been the Chinese broadcast saying that American and Thai forces and arms must be removed from Laos before there can be a cease-fire. It is possible that when the two sides meet for truce talks the communists will put forward some such suggestion. In that case, we must make it clear that this is a matter for Governments and for the Conference and goes far beyond the scope of organising an immediate end to the fighting. I am by no means convinced, however, that we shall be faced with such a demand; the Russians have never mentioned it at any stage, nor has it appeared in any of the broadcasts by Prince Souvanna Phouma or the Pathet Lao.

You will no doubt have heard that the Americans are thinking of summoning the Security Council: we consider this premature and there is an obvious danger of a most damaging debate. We are therefore recommending postponement for a few days.

Everything now depends on getting the cease-fire before the Americans feel that they have been pushed too far. You may be sure that we are doing everything possible to bring this about. I will let you know of any further developments.

691.

DEA/50052-B-40

*Le chef de la délégation sur le Laos
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation on Laos,
to Secretary of State for External Affairs*

TELEGRAM 346

Delhi, April 28, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 345 Apr 28.†

Repeat for Information: Geneva, Washington, London, Paris, Rome, Canberra, Wellington, Permis New York (Priority) from Ottawa, Saigon (Priority).

By Bag Phnom Penh from Saigon.

COMMISSION REPORT TO CO-CHAIRMEN

Immediately after its ceremonial opening session the Commission held its first formal meeting to consider the nature of its report to the Co-Chairman on "tasks and functions" and to give first look at administrative questions. These matters had already been discussed informally at a meeting of the three commissioners earlier in the day.

2. The Commission started its work on the basis of a Polish proposal. After some discussion it was agreed that the Chairman was to submit a draft to the Commission at its meeting tomorrow incorporating the following points. My Indian and Polish colleagues expressed the hope that the Commission might despatch its report April 29. In its preamble the report would express the readiness of the Commission to be of service, its satisfaction that the Co-Chairmen have seen fit to reconvene the Commission and its concern for the cessation of hostilities in Laos.

3. The following points would then be made.

(a) The Commission hopes the parties in Laos will decide without delay on a date for cease fire and invite Commission to Laos.

(b) It would plan to establish itself in Laos on the day of the proclaimed cease fire.

(c) Its first task will then be to assist the joint committee representing the two sides in the Laotian dispute in the committee's effort to work out details of a military truce agreement.

(d) It will then decide on the number of teams required for location and other related matters.

(e) It will report to the Co-Chairmen before May 12 on the effectiveness of the cease fire.

(f) It will start observing implementation of the truce agreement on the day of its coming into force and the Commission will then expect further instructions from the Conference at Geneva as to its future role.

3. The difficulty of problem of location of headquarters for resumed Commission was recognized and it was thought best at present stage to refer only to initial task and not repeat not to location in hope problem may be solved a few days hence. We propose to insist that for practical reasons Vientiane be selected as base of operation.

4. With regard to organizational matters, the Chairman suggested that the Commission might wish to ask India initially to advance funds to Commission, pending permanent arrangements are made. Sen believes that India will be prepared to provide some stores, light vehicles and their maintenance, and generally the services provided by the Indians in the other commissions i.e. signals, medical care, commissariat, accounting etc. The Polish and Indian delegates appeared to be in agreement that in as much as possible equipment and maintenance should be secured from locally uncommitted countries; Cambodia was mentioned in that connection and Polish delegate indicated clearly that they would not repeat not object to use of French personnel if necessary. We proposed, and it was agreed, that a military adviser committee should be set up at once to consider urgent administrative matters. Military committee is expected to give Commission its estimate of immediate requirements tomorrow morning so that those may be mentioned in report to Co-Chairmen.

[LÉON] MAYRAND

692.

DEA150052-B-40

*Le chef de la délégation sur le Laos
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation on Laos,
to Secretary of State for External Affairs*

TELEGRAM 349

Delhi, April 29, 1961

SECRET. EMERGENCY.

Reference: Your Tel Y-244 Apr 27† our Tel 346 Apr 28.

Repeat for Information: London (Emergency) from Ottawa, Washington, Geneva, Paris, Canberra, Wellington, Permisis New York (Priority) from Ottawa, Saigon (Priority).

By Bag Ankara, Moscow, Warsaw, Tokyo, Colombo, Jakarta from London, Phnom Penh from Saigon.

LAOS COMMISSION: REPORT TO CO-CHAIRMEN

After considerable give and take Commission reached tentative agreement this evening on text of report embodying all points set out in my reference telegram. Polish delegation worked towards making Commission report coincide as closely as possible with text of Co-Chairmen's letters. I advanced but could not repeat not press to acceptance proposals that Commission should be based administratively at Vientiane and that Co-Chairmen should draw specifically attention of parties in Laos to need for complete freedom of movement for Commission. Report in its present form is inelegant but it seems to us not repeat not seriously objectionable

and unless I hear from you to the contrary I therefore propose to sign it at meeting called for that purpose on Monday morning May 1. Text of report follows, Begins:

“International Commission for Supervision and Control in Laos reconvened at Delhi on April 28, 1961, in response to message dated April 24, 1961 from Co-Chairmen of Geneva Conference on Indochina.²⁰ Commission share great concern of Co-Chairmen on situation which has developed in Laos. They consider that reconvening of Commission at present within framework of 1954 Geneva Agreements and on instruction of Co-Chairmen, after suspension which has lasted for nearly 3 years, should contribute effectively to peace in Laos. During this period there have been many instances of disregard of Geneva Agreement and situation deteriorated to such an extent that it became a serious threat to peace and security in South East Asia.

Commission equally share anxiety of Co-Chairmen that all steps should be taken to bring about and ensure cessation of hostilities in Laos. They express hope that effective cease fire in Laos should be achieved with minimum of delay, and their readiness, as soon as it is achieved, to do all in their power to supervise and control it with cooperation of all parties to present hostilities. It is also hope of Commission that all military authorities, parties and organisations in Laos will heed appeal of Co-Chairmen for a cease fire and will fix an early and specific date for carrying it out. The Commission would expect to be informed of such cease fire as soon as it has been declared and of willingness of parties to cooperate with them.

Once date for an agreed cease fire has been announced, Commission intend to proceed to Laos to be present there, about time cessation of hostilities is due to take place.

On arrival in Laos primary and most important responsibility of Commission will be to establish close and cooperative relations with parties, particularly with such joint committees as may be set up for effective implementation of cease fire. Commission will be prepared to proceed immediately to any place where such committee may function.

Commission in close cooperation with parties to cease fire agreement will consider measures such as establishment of inspection teams, which would enable Commission to supervise and control effectiveness of cease fire agreement. For this purpose, Commission should be authorized to request and receive all relevant military information from parties. Commission would welcome assurances from parties that they will extend all facilities for proper discharge of such responsibilities as may devolve on Commission or their teams, as a result of any agreement on cease fire to be entered into by parties.

Next task of Commission would be to supervise and control any agreement parties may reach among themselves on questions connected with cease fire.

Commission are confident that foregoing will provide adequate basis for formulating immediate instructions by Co-Chairmen. Commission further hope that conference convened at Geneva on May 12, 1961, will produce fruitful results enabling Laos to follow policy of neutrality in peace, unity and sovereignty.

In view of urgency of problem confronting Commission, they request that instructions of Co-Chairmen along lines indicated above be communicated to them with the least possible delay.

In this connection Commission have given thought to problem in changed circumstances, for effective administration and financing of their activities. The Commission would be prepared to request Government of India to advance USA 200,000 to Commission to meet their immediate minimum requirements, on understanding that each of contributing powers,

²⁰ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), pp. 171-72.

under arrangements made at Geneva in 1954, will speedily reimburse Government of India. With this amount and with help of Indian army, Commission should be able to set up an effective machinery provided that Co-Chairmen were willing to supply Commission with an adequate number of aeroplanes and helicopters together with facilities for their maintenance. Commission realize that greatest measure of economy must be maintained in administration and state that, to a large measure, this would depend on extent and nature of facilities to be made available by parties." Ends

[LÉON] MAYRAND

693.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation sur le Laos*
*Secretary of State for External Affairs
to Chairman, Delegation on Laos*

TELEGRAM Y-120

Ottawa, April 29, 1961

SECRET. EMERGENCY.

Reference: Your Tels 346 Apr 28 and 349 Apr 29.

Repeat for Information: London, Washington, Paris, NATO Paris, Canberra, Wellington, Permision New York, Saigon, Geneva (OpImmediate).

By Bag Ankara, Moscow, Warsaw, Tokyo, Kuala Lumpur, Colombo, Jakarta from London, Phnom Penh from Saigon.

LAOS COMMISSION: REPORT TO CO-CHAIRMEN

Following for Candel Laos.

It is clear from your reference telegrams that you have secured best text likely to be acceptable to all three delegations. We would not wish to be placed in position of delaying or obstructing agreement on steps immediately necessary for verification of ceasefire. You are therefore authorized to sign text in your telegram 349.

694.

J.G.D./MG011/XII/F/220

*Le haut-commissaire suppléant du Royaume-Uni
au premier ministre*
*Deputy High Commissioner of United Kingdom
to Prime Minister*

SECRET

Ottawa, May 1, 1961

Dear Mr. Prime Minister,

Since Mr. Harold Macmillan sent you his message of the 28th April about the difficulties over arranging a cease-fire in Laos, matters have become even more critical. I have today been instructed to transmit to you a further message from Mr. Macmillan which I enclose, together with the text of the message to Mr. Nehru to which Mr. Macmillan refers.

Yours sincerely,

R.W.D. FOWLER

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Note du premier ministre du Royaume-Uni
pour le premier ministre*

*Message from Prime Minister of United Kingdom
to Prime Minister*

SECRET

[London], May 1, 1961

I am asking our High Commissioner to show you a secret personal message which I have sent today to Mr. Nehru asking him to try and arrange for the International Commission to be sent back to Laos at once in order to help the Laotians to reach agreement on a cease-fire. I know this is what you and Howard Green have wanted to avoid, and that the agreement reached between ourselves and subsequently with the Russians was that the Commission would only start work in Laos when the cease-fire came into force. But the last few days have shown that the Laotians do not seem capable of reaching agreement amongst themselves speedily, and delay has placed us in an increasingly dangerous position. We have done everything possible to reach a peaceful solution of the problem, but I am afraid that the sands are running out and that if we cannot clinch the matter within the next few days events will get out of our control with the obvious results which we all so much dread. I do hope, therefore, that you will forgive me for putting you in this rather difficult position and placing an extra burden on your officers who will be serving with the Commission.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Note du premier ministre du Royaume-Uni
pour le premier ministre de l'Inde*

*Message from Prime Minister of United Kingdom
to Prime Minister of India*

SECRET

[London], May 1, 1961

I am afraid that there is a real danger that the cease-fire negotiations in Laos may break down in the next 48 hours. Most unfortunately Gromyko has refused to permit the establishment of a channel of communication between both sides through the Co-Chairmen. We are also in difficulty because the communists are trying to push their advantage in the present state of confusion before a cease-fire can be arranged.

The Vientiane Government have now made very reasonable proposals for a truce meeting in between the opposing lines on Monday morning. This is obviously the way in which negotiations to put a stop to the fighting ought to be held, and we have sent a message to Souvanna Phouma in Hanoi urging him to try and get his friends to attend the rendez-vous. If they fail to do so or if, when they arrive, they put forward too difficult conditions which will require lengthy further negotiation, I am afraid that things will get out of hand.

I have therefore been wondering whether the time has not come for a new initiative. I know that the International Commission have said that they intend to proceed to Laos as soon as a cease-fire has been agreed so as to be on the spot at the moment it comes into force. I think however we ought now to try once again to get the Commission to help the Laotians to reach their agreement. As this goes beyond what was agreed between Lord Home and Mr. Gromyko I think that the Russians are only likely to accept it if the suggestion comes from yourself. I wonder therefore if you would be prepared to send an immediate message to Mr. Gromyko and Lord Home asking them to authorise the Chairman to send the Commission to Laos at once in order to offer its services in helping to arrange the cease-fire. I believe that this may be the

only way now to avoid the fighting breaking out again in a much more serious form and leading to the most dangerous consequences.

695.

DEA/50052-B-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures,
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], May 1, 1961

MR. MACMILLAN'S MESSAGE TO THE
PRIME MINISTER ON LAOS, OF MAY 1, 1961

Having read the copy of Mr. Macmillan's Note to the Prime Minister enclosing the text of the former's communication to Mr. Nehru, the Minister saw no need to hasten to make a reply. In a situation changing as rapidly as that in Laos, he was reluctant to advise the Prime Minister to commit Canada to such an entirely new function for the I.S.C., as assisting in the negotiation of a cease-fire, without full and up-to-date knowledge of the circumstances. I understand from Mr. Robinson that the Prime Minister, too, felt in no hurry to endorse the action which the United Kingdom Government had already seen fit to take.

2. For similar reasons, the Minister did not wish to send Mayrand contingent authorization to agree, if he should be faced with, on short notice, a request for the Commission to proceed immediately to Laos to help negotiate a cease-fire.²¹

ROSS CAMPBELL

696.

DEA/50052-B-11-40

*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-201

Ottawa, May 2, 1961

SECRET. PRIORITY.

Reference: Your 1360 Apr 27.

Repeat for Information: Paris, London, Delhi, Ankara, Permisis New York (Priority), Canberra, Wellington.

By Bag Saigon, Phnom Penh, Moscow, Warsaw, Tokyo, Djakarta, Kuala Lumpur.

LAOS

We were glad to have the thinking of the State Department on various aspects of the Laotian question. We are not attempting to comment on every detail but the following paragraphs convey our present views on some of the main points:

²¹ Note marginale :/Marginal note:

Well – the [approach?] has been made & I suppose we can act quickly if the request comes from the Co-Chairmen. [N.A.] R[obertson]

(a) *Objects of the Conference.* We would see these as:

- (1) A united and peaceful Laos;
- (2) Neutral status on conditions conforming to the wishes and needs of the Laotian people. This presumably involves:
 - (i) non-alignment
 - (ii) absence of foreign bases and foreign military formations;
- (3) Such agreements or declarations as would ensure the recognition of neutrality;
- (4) Such contributions as the conference could properly make toward political stability and economic well-being;
- (5) Establishment, renewal or modification of international agencies required to implement and maintain the above objectives.

(b) *Laotian Government.* While it is not clear what exact action the conference could properly take or would need to take in respect of a new government, it is obvious that the existence of a generally accepted government would be a necessary element in the progress of the conference and – we assume – required for participation in resulting agreements. But should not the public position be that the Laotians themselves form a new government? At present it appears to us that the only personality who might be generally acceptable as Prime Minister is Souvanna Phouma, and we cannot conceive of agreement on a coalition which did not include representation of Pathet Lao. We would envisage complicated and protracted bargaining aimed at securing the key positions, i.e. foreign affairs and internal security.

(c) *Internal Security.* We agree that some internal security force will be required and that it must be wholly Laotian. Presumably it would be a military or para-military force with the tasks of maintaining order within the country and policing the frontiers. It would require light weapons and equipment and perhaps outside technical experts for training. Obviously these needs could not be met except under some international understanding. The tasks which the State Department was considering for a Military Affairs Commission of Asian neutrals appear to combine these long-term tasks (which were assigned essentially to the French in the 1954 Agreement) with short-term tasks of disentanglement and integration of existing forces which were assigned in 1954 to the Joint Commission of the parties under the supervision of the ICSC. We think these 1954 arrangements represent the best starting point. If the Communists were agreeable to the French having some continuing responsibilities in the field of training, we believe this might be a more satisfactory arrangement from the western point of view than attempting to set up an entirely new arrangement, although we see some advantages in the idea of associating Asian neutrals with the task and would be interested in any State Department development of the idea. For the short-term tasks we see no alternative to the ICSC as a generally acceptable means for supervising the dispositions made by the parties, although we would wish to see the Commission's powers, independence and freedom of movement strengthened by the conference.

(d) *Development Assistance Agency.* In general we do not repeat not differ from the line of thinking of the State Department, but it is a subject that needs, obviously, further exploration.

(e) *International Supervisory Mechanism.* Our position is that we are prepared to continue on the ISC should that be desired. We doubt that any alternative body would find general acceptance at the Conference but recognize that changes in terms of reference are needed. With reference to your paragraph 4 it is easy to say that the Commission would have to be more effective than in 1954-58, but the means of achieving this are not so simple. Our first reaction to the suggestion of individual inspections is not favourable. The ISC, like the American constitution, is based on checks and balances, and so is constituted in such a way as to prevent any one element from acting unilaterally. The objections to this are as obvious as

the reasons for setting it up in that way. We wonder, too, whether the State Department has thought of individual inspections by a Polish representative. The position of a neutral Chairman is unenviable and we note the apparent criticisms of Indian performance (your 1286).† We would not, however, be receptive to a suggestion that India be replaced.

(f) *General Comment.* In contemplating such a conference, the theme of “how to defeat the Communists” is inevitable; but it has always, we think, been hoped that it would as far as practicable be kept in the background. For our part, as a member of the ISC, we believe that our future usefulness depends in part on conveying an impression of moderation and readiness to apply ourselves to our role. This, of course, contradicts in no way close consultation with the western powers before and at the conference.

For London: You should convey our views to the Foreign Office on the assumption that they are aware of the State Department thinking but not directly phrased as comments on USA views.

For Delhi (Ronning) and Ankara (Bridle): We would welcome your comments.

For Paris, Canberra and Wellington: You may convey in general these views to officials without an indication of their connection with discussions in Washington.

[H.C.] GREEN

697.

DEA/50052-B-2-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-268

Ottawa, May 10, 1961

SECRET. OPIMMEDIATE.

Reference: London's Tels 1662 of May 4† and 1718 and 1719 of May 9.†

Repeat for Information: Washington, Paris, NATO Paris, Delhi, London, Permision New York, Saigon, Vientiane (Priority).

By Bag from London: Phnom Penh, Djakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw.

From London's reference telegrams, it is evident that USA, UK and France plan to have Cambodia and Burma accept maximum responsibility for supervision and control of a Laotian settlement. Paragraph 6 of London's 1718 suggests that the major western powers might seek to have Cambodia and Burma added to the ICSC which, in certain circumstances, might be asked to examine the future of Laos with political leaders in that country and report its recommendations to the conference.

2. Paper on Supervisory Commission, tasks, powers, and functions included in commentary for delegations sets out our views on an enlarged Commission in a general way. Delegation may wish to keep in mind following additional reasons why we have tentatively concluded there would be little gained by adding additional Asian neutrals to present Commission. We think the Indians would react sharply to a departure from the Geneva structure to which they attach great importance, and which would tend to diminish their influence as Chairman. It is possible that the Communist powers might react against any weakening of Poland's position by putting forward their own Asian nominee. If this were the DRVN, the result would be most unhappy. Moreover any change in the Laos Commission might reopen the question of membership in the Cambodian and Vietnam Commissions.

3. In view of India's strong desire to achieve unanimity within the Commission on major issues, we think that addition of Cambodia and Burma would only complicate matters and render the Commission more unwieldy. Cambodia, for instance, might be tempted to use Commission to further its own regional interests which might lead to complications with South Vietnam and Thailand. Addition of two members would also raise formidable administrative and logistic problems and make Commission more costly.

[N.A.] ROBERTSON

698.

DEA/50052-B-11-40

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

TELEGRAM 1502

Washington, May 10, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: London, Paris, NATO Paris (OpImmediate), Permis New York (Priority), Geneva, Delhi (OpImmediate), Bonn (Priority), Rome, Canberra, Wellington from Ottawa.

By Bag Moscow, Saigon, Phnom Penh, Tokyo, Jakarta, Kuala Lumpur, Ankara from London.

GENEVA CONFERENCE ON LAOS

We have been viewing with increasing concern the indications here and in Delhi that the Geneva Conference on Laos to convene on Friday may turn out to be less an accommodation between USA and the Communist countries and more an altercation between USA and India. This would be inconsistent with the broader and increasingly fruitful relationships being developed between USA and India, especially in the context of USA sympathy and practical cooperation with Indian development plans. Moreover in our view it would be wholly at variance with what we believe are the fundamental objectives of both countries in regard to Laos. It seems to us of primary importance that Canada as a close friend of both countries and also because of the direct relationship with the future of Laos that stems from our participation, present and prospective, in the ICSC should seek to bring them closer together. At all costs we should attempt to avoid a recurrence of the unfortunate situation after the 1954 Geneva Conference when USA apart from agreeing not repeat not to disturb the Geneva Accords by force in effect washed its hands of the régime for Southeast Asia.

2. We would not repeat not wish to attempt any detailed assessment of responsibility for the breakdown of the 1954 arrangements. The Communist side has sought both indirectly and by military means to dominate Laos. At the same time the role played by USA in the area in succeeding years did not repeat not advance the objectives sought by USA let alone those desired by India and other like minded states in Asia. It has seemed to us that this lesson may have been learned during the course of the past administration, has been accepted by the present administration, and indeed is in the process of being applied in desirable directions and at an increasing pace by President Kennedy and Secretary Rusk. It would be a calamity if this process were set in reverse by essentially irrelevant arguments about the past. It is true that all the powers concerned including USA must be mindful of past mistakes and benefit from them in the formulation of future policies. But surely the task of the moment is to see whether, at any rate on the non Communist side, there is sufficient agreement on objectives and means to

ensure that minimum national objectives are achieved, and that the results of the conference do not repeat not lead irrevocably toward a Communist victory in Laos.

3. It seems clear that India and USA share the objectives of a neutral peaceful unified and independent Laos. USA views this primarily as a question of preventing Communist domination of Laos but there is no repeat no dispute between them about the end result. Both governments also share the view that these objectives must be sought through:

- (a) Public international adherence to the concept of a neutral Laos and the adoption of corresponding policies;
- (b) International supervision and control of agreements aimed at achieving a neutral Laos; and
- (c) The emergence of a Laotian Government able and willing to work for the preservation of its neutrality.

4. The differences between India and USA in relation to these means seem to be as follows:

(a) Judging from recent telegrams from Delhi it seems that the Indians do not repeat not think USA is prepared publicly to accept a neutral Laos or to work for it. We have no repeat no reason to believe that this is the case. On the contrary USA policy as lately and categorically expressed by the President and the Secretary of State, espousing the concept of a neutral Laos without reservations. This USA position is nevertheless dependent on Sino-Soviet observance of the same principle. Since neutrality for Laos is not repeat not yet an established fact, USA can do little more than it has done namely reaffirm its desire to achieve this objective. It would be wrong for the Indians to assume that precautionary USA activities pursued against the possibility of a failure to establish a neutral Laos lessen in any way the genuine desire of USA to achieve this result. In particular we have no repeat no reason to doubt that USA would be only too glad to achieve, under conditions of true neutrality, the removal of foreign bases and foreign military formations from Laos.

(b) As for international supervision and control machinery the Indian position appears to be that the present ICSC for Laos should simply continue business as usual. It seems to us that USA will ultimately accept the continuation of Communist participation. It will also, like the Indians, wish to see greater cooperation between the machinery in Laos and the similar machinery in Vietnam and Cambodia. It will however, as we do, wish to see the control machinery given powers, mobility, access and facilities substantially greater than that formerly exercised by the ICSC for Laos. USA will also wish to see these points carefully spelled out in some international document. Finally it is possible and perhaps probable that with such a document available USA would be prepared to accept a return of and offer full cooperation to the ICSC for Laos with its present composition.

(c) As to a truly neutral government in Laos it seems clear that the Indians do not repeat not accept the Boun Oum government's protestations of a desire for a neutral status. USA authorities on the other hand accept Souvanna Phouma's protestations, but are dubious about his ability to distinguish between his desires and intentions and those of the Pathet Lao and its associates.

5. In regard to 4(a) above, it would be very useful if the Indians were prepared to suspend judgment on the ultimate USA position until it is seen how the Geneva Conference proceeds. As to 4(b) above, there is a real difficulty because it seems likely that the Indians may take as a reflection upon themselves any serious attempt to improve the effectiveness of the ICSC in Laos. On the other hand it would seem to us that the Indians would be sensitive to the fact that agreement to some such increase of powers would be the minimum price they would have to pay in order to ensure positive USA cooperation. If they really believe that USA sabotaged the 1954 agreements, this would be one form of insurance against a recurrence. The Canadian

interest would clearly lie in clarifying the Commission's tasks and making it as effective an instrument as possible.

6. With regard to 4(c) the Indians have consistently regarded Souvanna Phouma as the only man in Laos who can hold the balance. USA authorities on the other hand are deeply suspicious of Souvanna. They believe that he was never sufficiently alert to the dangers of the Pathet Lao offensive, and that he has moved dangerously far from a neutralist position in recent months. Nevertheless there does not repeat not appear to be any effective alternative. Our own view would be therefore that while USA representatives at Geneva will be initially reserved toward Souvanna and his claims, they share with India the desire to see established a broadly based coalition, although they would not repeat not wish to be faced with a "fait accompli" on the eve of the conference. Souvanna's role in such a coalition and its composition is apt to weigh as less important to guarantee the adherence to genuine neutrality of a broader Laos Government. Here perhaps the Indians could contribute by participating in a determined effort to improve the effectiveness of the international guarantees and control machinery within which the post conference Laotian government would operate. This would greatly assist in committing USA to full support of the results of the conference.

7. There is one question which we have not repeat not discussed above and that is the Indian contention that the solution to the question of Laos must be "based" on the Geneva Agreements. USA not repeat not being parties to these agreements are somewhat at a loss how to tackle this question. We think they would be disposed to regard the agreements as a point of departure. USA, we ourselves and reportedly the Soviet and Chinese Communists all agree (though not repeat not perhaps intending quite the same thing) that the terms of reference of the ICSC are no repeat no longer adequate. If this be so, then the Geneva Agreements, particularly as they affect the operations of the ICSC may provide a minimum below which the forthcoming conference should not repeat not fall. USA might be prepared to go this far as well. On the other hand simply to attempt to revive unchanged the Geneva Agreements, despite their at least partial inapplicability to present circumstances, would seem to be beyond the realm of possibility, and USA could hardly be expected to agree to such a proposition. We are not repeat not sure exactly what the Indian position would be on this question. In some of Delhi's telegrams there have been indications that the Indians would be prepared to see the Geneva Accords "suitably modified" but it is not repeat not clear whether this is simply related to the familiar Indian thesis that the three Indochina Commissions should work more closely together.

8. On the whole we expect that any progress along the lines suggested above will be very difficult. But Canada appears to us to have a clear and direct interest in trying to bring USA and Indian positions more closely together. USA positions on many aspects have not repeat not yet been determined at a high level and there is some disposition in Washington to see how matters shape up at the conference. Perhaps in this light the Indians for their part would also be prepared to take a fresh look at the problem without too many preconceived ideas or recriminations over the past.

9. We have not repeat not in this message dealt with the problem of Vietnam, which is not repeat not specifically on the conference agenda, but whose future is directly related to events in Laos and at the conference. We have noted in messages from Delhi reference to the view of some Indian officials that the time is now ripe for moves towards unification in Vietnam. This is poles apart from USA assessment, and the deep concern felt at the highest levels here at the massive subversion efforts of the Viet Cong particularly in the past year and the ineffectiveness of the ISC. The prospect of a divergence of USA and Indian view on Vietnam is again very real. It may be that outside the formal Geneva sessions dealing with Laos, private

efforts can be made by USA and Indian representatives, and perhaps with our help, to consult on the future of Vietnam within the context of a possible Laotian settlement.

[A.D.P.] HEENEY

699.

DEA/50052-B-11-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-274

Ottawa, May 16, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Washington Tel 1502 of May 10.

Repeat for Information: Washington, London, Paris, NATO Paris, Permiso New York, Delhi, Rome, Canberra, Wellington (OpImmediate).

By Bag Moscow, Warsaw, Saigon, Phnom Penh, Tokyo, Kuala Lumpur, Djakarta

GENEVA CONFERENCE ON LAOS

We have been grateful for the analysis in recent weeks made by London, Delhi and Washington of the developments of the Laos question and national policies toward it. The present telegram is particularly directed to Washington reference telegram though bearing in mind the other reports indicated.

2. We fully agree on the seriousness of the difficulties that have developed between USA and India and which may exist to a lesser extent between USA and some Western powers. Certainly it is as Washington suggests not fruitful to assign responsibility for this apparent rift but it is obvious from recent comments made by Indians in relation to talks with Harriman and Maffit Delhi telegram 378† and 381† of May 8, that the Indians are disturbed and irritated. Perhaps USA conversations and public utterances give to them as they do to some extent to us an impression of old and new approaches patched together like a badly edited film. At the same time the Cuban affair may give in Delhi the impression of a reversion to themes unattractive to the Indians. No doubt the unskilful handling of the neutral nations plan and perhaps some reflection of the American attitude toward Indian performance in the Vietnam Commission have added to Indian distrust.

3. In general we agree with Washington's assessment of the difficulties as outlined in their paragraph 4. State Department lack of confidence in the International Commissions is one of the root difficulties. To some degree delegation may be able to remove this American concern by improvement in the powers and functions of the Commission designed to enable it to operate more effectively. In final analysis, however, the effectiveness of any control machinery depends to a large extent on the cooperation of the parties and not solely on the language of an agreement. We fully recognize that a Commission with a built-in conflict must inevitably move slowly but on the other hand we have no reason to believe that any acceptable alternative exists. (Our telegram Y-268 of May 10 to Geneva).

4. As to Washington paragraph 4(c), it seems to us that the real problem in a coalition government is not whether it is headed by Souvanna Phouma or includes Pathet Lao representatives for under present circumstances both seem inevitable. If the Conference sets up a neutral Laos free to manage its own affairs, the risk must be accepted that the Laotian Government may in future move far to the left and become in effect more sympathetic to the Communists than to the Western group without technically compromising its legal neutrality.

No doubt the Indians would regret a heavy slant to the left but to the USA this must be a seriously alarming prospect. For the immediate future attempts could be made to forestall such a development by influencing the membership of the coalition but is there in the background the possibility of saving part of Laos by a division of the country, the Southern section defended on the ground by the USA. Neither of these expedients would fit what we know of Indian thinking but we must add our doubt that any kind of control machinery could indefinitely guarantee the adherence of a Laotian Government to a policy of real neutrality.

5. We agree not only with Washington's assessments of the seriousness of this situation but also with the desirability of doing what we can to narrow the Delhi-Washington gap. The delegation will be best placed to see the possibilities in this respect but here we suggest two possible approaches:

(a) to emphasize as opportunities arise that the real objectives of India and the USA are much more similar than they may appear on the surface. It might be wise too to indicate that while the American administration has moved a long way from its policy of last autumn it has real difficulties (in relation to Congress, public opinion, SEATO and its world wide responsibilities) in exposing itself to accusations of weakness.

(b) Despite its traditional distaste for the Geneva Agreement the USA has now accepted that Agreement as a starting point and a set of principles thus moving nearer to the Indian position. Similarly, it has developed a more friendly attitude toward the Commissions. We do not share the USA view that it would be wise to add further neutrals to the Commission but we are as fully aware as they are of the difficulties of the Commission in operation. In our understanding, the Indians would agree on this latter point. Perhaps if the American delegation informally explored attitudes toward a reconstructed Commission they might end up close to our position that it needs improved terms of reference but must otherwise remain unchanged. Perhaps the defensive stand of the Indians on the Vietnam Commission gives a false impression that it cannot be improved. As we understand it Delhi would like to see the whole Commission structure more effective but one element in achieving this is to emphasize the responsibility of India rather than criticize unduly its cautious approach in practice.

[N.A.] ROBERTSON

700.

J.G.D./845/I41L298

*Note du secrétaire d'État des Relations avec le Commonwealth (Royaume-Uni)
pour le premier ministre*

*Message from Secretary of State for Commonwealth Relations (United Kingdom)
to Prime Minister*

SECRET

[London], May 26, 1961

Now that Alec Home is back from Geneva I thought you would like to know how we view likely developments there.

There seems to be general agreement that Laos should be a genuinely non-aligned state insulated from the cold war.

There are however signs of serious disagreement about the machinery for ensuring this. In fact it looks as though the communist powers will try to prevent the Control Commission from dealing effectively with breaches of the cease-fire while the Conference is sitting and also from developing into an effective instrument for impartially controlling the level of arms imported into Laos once an agreement is signed. When there are alleged breaches of the cease-fire the I.C.C. must have the authority to investigate them and stop them. Otherwise forces can advance and make large tactical gains under cover of the Conference. Gromyko has proposed

that the Commission should act only if all its members are agreed and this obviously would give the communists a veto.

Another bad sign is the categorical denial by the Pathet Lao representative that there were any Viet Minh troops in Laos.

The possibility of an agreement really hangs on our securing effective and impartial control of the cease-fire in Laos and on this being seen by all to be effective, when that is certain, confidence will grow. This is going to be the crux of the problem.

701.

DEA/50052-B-11-40

*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 26, 1961

TERMS OF REFERENCE FOR LAOS COMMISSION

As you know, the general policy statements by the delegations at the Geneva Conference have been completed, and attention is now turning to more detailed consideration of specific problems. The problem which is of most direct concern to us, of course, is that of the terms of reference for the Supervisory Commission. Consideration of these terms of reference has already reached the drafting stage: indeed, it seems probable that over the weekend a draft will be worked out by the United States, United Kingdom and French delegations for tabling in the conference early next week.

It is therefore important at this crucial stage that our delegation should be in a position to influence as directly and effectively as possible the draft which will be tabled as a basis for discussion. We have already supplied our delegation with detailed comments, and the delegation has, of course, been in frequent individual contact with the other western delegations. The delegation believes, however, that its ability to influence the terms of reference would be greater if it were able to participate directly in the drafting process (Geneva telegram 654 of May 25).†

I agree with their judgment on this matter. As you indicated in your telegram No. M-34 to Washington,† our position as regards non-involvement in the general western policy planning has been made clear to all concerned and is fully understood. The detailed drafting of terms of reference under which Canadian representatives will be required to work, however, raises quite different considerations; and I think it would be inconsistent with our insistence on this aspect of the problem as our primary concern if we were not to do all we can to influence the outcome.

I attach for your signature if you agree a telegram to our delegation in Geneva† authorizing them to participate in the drafting of the terms of reference.²²

N.A. R[OBERTSON]

²² Note marginale :/Marginal note:
Y-309 Signed as amended by SSEA 27/5. R. C[ampbell]

702.

DEA/50052-B-40

*Le commissaire de la Commission internationale de surveillance et de contrôle
pour le Laos
au sous-secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision and Control for Laos,
to Secretary of State for External Affairs*

LETTER NO. 12
SECRET

Vientiane, June 14, 1961

OUR FIRST MONTH IN LAOS

Because of the urgent character of our mission in this country we have so far reported mostly by wire and almost exclusively on the immediate aspects of our work. The Commission's several reports to the Co-Chairmen have also reflected day to day developments. I propose, in this letter, to take a somewhat broader view of the first activities of the Commission and of the role of our Delegation in it.

2. Until today the role of our Commission has been that of an official witness of the ceasefire who, because of the attitude of one of the parties, has had to base his reports on hearsay evidence. Cast in that unusual role for a supervision and control commission, the ICSC could satisfy fully neither its audience at Geneva nor its own members. If, however, we felt frustrated on several occasions because of our inability to exercise real control, at no point could we forget that our return to Laos had been the fruit of a difficult compromise and that, after all, our mere presence here was bound to act to some extent as a check on the military activities of the side which was winning the battles before we arrived. The check proved insufficient to prevent the fall of Ban Padong. Precisely because of that grim episode, which caused a temporary interruption in the work of the Geneva Conference, we now seem to be entering the second phase of our activity: one in which the Commission, we hope, may begin to act in a manner justifying its name.

3. Since its arrival in Laos on May 8, the Commission has established itself at Vientiane and Xieng Khouang. It has discussed the situation of the ceasefire and its own role with the principals at the two "capitals" and has made recommendations to them. It has attended the thrice-weekly meetings of the parties at Ban Namone. It has reported eight times to the Co-Chairmen.²³ Finally, it has set up its Military Committee to advise the Commission on the military situation and on the control machinery and also, as of today, to negotiate with the military representatives of the parties at the ceasefire talks in Ban Namone.

4. The military situation is that, although there is a general observance of the ceasefire, there are some notable violations apart from those which might be ascribed to accidental and unpremeditated causes. In the first place, the Xieng Khouang party has made it clear that they refuse to recognize the existence of legitimate forces of the Vientiane party in the provinces of Xieng Khouang and Sam Neua. Since, notwithstanding, these forces exist (comprising largely the Vientiane party's Meo volunteer battalions), the Xieng Khouang party has clearly

²³ Pour consulter le premier rapport, daté du 11 mai, voir United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), pp. 173-74.

For the first report, dated May 11, see United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty's Stationery Office, 1965), pp. 173-74.

embarked upon a campaign to liquidate them by military action. Ban Padong was the first major effort in this campaign and was directed against the headquarters which controls the operations of the Vientiane forces' volunteer battalions in these two provinces. We may expect similar operations against the Vientiane forces to the east of Xieng Khouang and in Sam Neua province and there are already indications of this in the complaints being filed by the Vientiane party.

5. Notwithstanding their own outraged feelings at finding forces of the opposing party operating deep in territory over which they claim control, the Xieng Khouang party shows with apparent pride, on a specially printed map depicting the extent of their military control of Laos, very considerable activity by their own guerrilla forces in territory under control of the Vientiane party. This indicates a campaign of guerrilla activity which is attested to by the complaints of the Vientiane party, particularly at present in the country around Vientiane.

6. In addition, there appears to be some building up of opposing forces in the Thaket and Muong-Phalane/Muong-Phine areas. This is indicated chiefly by complaints of the Vientiane party, but also to some extent by complaints made by the Xieng Khouang party affecting the same areas. Breaches of the ceasefire in those areas by actual attacks and firing are so far few in number. However, the possibility of trouble breaking out in this area which controls General Phoumi's communications to South Viet Nam and is also a potential route through Laos to South Viet Nam for the North Vietnamese, certainly cannot be overlooked.

7. At Saigon, on May 8, the Commission had decided that the Commissioners and the bulk of the delegations should proceed at once to Vientiane, while a group composed of senior political advisers and military aides would go directly to Xieng-Khouang. This sub-Commission tried in vain to reach Xieng Khouang through Hanoi, but when it became apparent that the DRVN authorities were not prepared to assist in making arrangements for their move to Xieng Khouang, they flew to Vientiane on May 11 and from here to Xieng Khouang on the following day. After being held virtually under house arrest for three days, the sub-Commission saw the two Princes on May 15. As from that date our representatives with the Neutralist/Pathet Lao side were given nothing more than casual attention by Princes Souvanna Phouma and Souphanouvong but were at least authorized to move freely within the town of Xieng Khouang. Individual members of the three delegations made some calls (on which we are reporting separately) at Khang Khay on "government officials" and "diplomatic representatives" there. They also acted as a post office between the Commission and the local authorities. While it would seem that, for political reasons, the sub-Commission has to be kept where it is and immobilize valuable civilian and military personnel, it is unlikely that it will be able to achieve much work as a group. One reason why the sub-Commission is in fact ineffectual is that the Commissioners themselves have maintained a weekly contact with the Xieng Khouang Princes prior to their departure for Geneva. The Polish Political Adviser, Marek Thee, who has the rank of Minister and who was Commissioner in his own right in 1957, appears to have fallen back, as soon as he reached Xieng Khouang, on his past role of counsel to the Pathet Lao. As the "tough man" of his delegation, he has also become a self-appointed critic of the Commission whenever it attempts to discharge its supervisory functions, and even of his own Commissioner whom he apparently considers as too soft for the job.

8. Our meeting with the two Princes showed that they are working in close unison at Khang Khay. For outward purposes Souvanna Phouma is the undisputed leader. He is the one who states the position of the Xieng Khouang side. Souphanouvong listens and nods assent, but very seldom intervenes. Yet I have found that Souvanna Phouma is far more amenable when I can speak to him alone. While we formed the impression that neutralist troops are predominant in the town of Xieng Khouang, it is well-known that Pathet Lao forces are generally by far the stronger. Souvanna Phouma has to depend on them and, to that extent, is not free. As long as a

coalition government has not been formed, he cannot indulge in the luxury of dissociating himself from the theses of his military ally. I have no doubt that he is often unhappy about it; but to act differently would result in his non-splendid isolation. Thus, like Souphannouvong, he has had to profess that the Commission should be prepared to wait for an agreement between the parties before assuming responsibilities for the control of the ceasefire. Perhaps he will now facilitate such agreement of the parties; but again, when he does so, it will be because the Pathet Lao will have given him the green light. Like Souphannouvong, he will no doubt remain adamant in his refusal to allow military negotiations to proceed more rapidly than negotiations for the political settlement.

9. On the Vientiane side, Prince Boun Oum is a pure figurehead and General Phoumi Nosavan the admitted chief. I found the latter more able and responsible than when I knew him in 1954. Financially and to a large extent militarily he is, however, dependent upon the United States. Mr. Brown is his constant adviser and I have already witnessed examples of changes of mind following the U.S. Ambassador's calls. Phoumi, not unlike Souvanna Phouma, is probably not happy at this, but he cannot ignore it either. Moreover, he stands on delicate ground in regard to Souvanna Phouma. I have ascertained that many in his entourage are in agreement with Souvanna Phouma's past policies and cannot escape the conclusion that the main protagonist of those policies one day will resume the leadership of the country. The point on which Phoumists differ among themselves is rather the extent to which Souvanna Phouma may still be trusted as a result of his forced association with the Pathet Lao and their North Vietnamese, Chinese and Soviet protectors.

10. The meetings at Ban Namone reflect the above currents. Nouhac, the Neo Lao Haksat (Pathet Lao) representative, is the most caustic. He uses Chinese terminology when addressing the "Savannakhet" group who, he frequently says, are the mouthpiece of the United States. Pheng Phongsavan, the Neutralist representative, does not dare not to follow suit. Only once have I heard Pheng Phongsavan suggest something slightly different from Nouhac's proposals, slightly closer to Vientiane's point of view, and I presume that it was a pre-arranged show. Like Souvanna Phouma, however, Pheng Phongsavan is less rigid in private. In this context, the Vientiane representatives at Ban Namone (and there is no outstanding personality among them) appear somewhat on the defensive. Their claim to be the sole constitutional government, because of the National Assembly, sounds rather artificial when one remembers how that Assembly ratified coup after coup. They are themselves so uncertain of it that they do avoid mentioning that the King is on their side, out of fear of compromising him too.

11. Our substantive task, as you know, has consisted so far in pressing the parties in favour of negotiations toward a full ceasefire agreement and in putting forward, in our letters of May 21 and June 8 to the parties, specific proposals for stricter observance of the ceasefire and for the participation of the Commission in controlling air supply. Being fully aware of the views of the Communist world that the role of the Commission should be limited to the strict minimum so long as the parties have not reached a full ceasefire agreement, I was somewhat surprised that my Polish colleague, Mr. Morski, agreed to make specific recommendations in our letter of May 21. According to Mr. Thee, he should never have agreed on behalf of the Polish Delegation. When the reply of Xieng Khouang to that letter came on May 28, both Mr. Morski and Mr. Sen became quite firm in their refusal to apply pressure on the parties. Moreover, both of them wanted to indicate clearly in a report to the Co-Chairmen that the Commission did have to submit to the wishes of the parties. As I have explained by wire, I maintained that we had every right and duty to insist on a more active role, but my more limited objective became to prevent the Commission as such from withdrawing from its earlier proposals. The fall of Ban Padong caused such a commotion at Geneva that apparently both Delhi and Warsaw instructed their local representatives to be more positive in their proposals to the parties. The line followed by Mr. Morski is obvious. The Indian policy for its part appears so far to have

been dictated more by long-term considerations than by the pressure of either principles or circumstances. The main consideration appears to have been that the Commission should avoid embarrassing any of the great powers or antagonizing any of the parties. This not too courageous line, added to Mr. Sen's well-known inability to write articulate English, have made each of our discussions on reports to the Co-Chairmen a rather difficult task.

12. In line with our emphasis on the ceasefire, I may recall that our Delegation has been responsible for the setting up of the Commission's Military Committee, whose duty it is to report to the Commission at once on complaints and to make recommendations. Its first report, dated June 5, contained the useful mention (inserted at Brigadier Cooper's suggestion) that "only by investigation of incidents immediately they are reported can the Committee make any specific findings." As you know, we have also played a predominant role in preparing for the Co-Chairmen, a list of the future material requirements of the Commission.

13. On the material side, the Commission's three delegations have established themselves at Vientiane, where they have found standards of accommodation higher than those prevailing in 1954-58. Here too our Delegation has taken the lead in organizing itself and even helping the two others. The authorities in Vientiane have cooperated with us to the extent that we sometimes thought it necessary to share what they gave us with the other two delegations.

14. I might also mention that our Delegation has established excellent and close relationships with the British, French and United States embassies, as well as with the French Military Mission.

LÉON MAYRAND

703.

H.C.G./Vol.10

*Le chef de la délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 873

Geneva, June 16, 1961

CONFIDENTIAL. PRIORITY.

Reference: Our Tel 827 Jun 10.†

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Delhi (Priority), CCOS, CGS, DM/DND, DGPO (Priority) from Ottawa.

By Bag Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

FURTHER CONVERSATION WITH SOUPHANOUVONG

On June 14 Souphanouvong returned my call. He was accompanied by Phoumy Vongvichit.

2. We attempted to draw Souphanouvong on the political aspect of a settlement. He sees the conference, the talks at Ban Namone and the forthcoming talks in Zurich as proceeding in parallel. He hopes a coalition government will be established at least by the time the conference is near agreement so that the new government of Laos can participate in approval of the settlement. He regards the Ban Namone discussions as important chiefly as a means of working out in detail agreements reached in principle at Zurich and as a vehicle by means of which the forces and populations under the control of the parties may be brought to accept and implement the agreements reached. He seemed to have little interest in the Ban Namone talks as a means of working a detailed cease-fire agreement; on the contrary, he thought that the

talks should be concentrating on reaching a political settlement which would bring the three contending forces under the unified command of a single government. Once this happens the problem of maintaining a cease-fire would disappear and the process of moving toward the conditions of a unified state could commence.

3. Souphanouvong saw little hope of reaching agreement at Zurich on unified representation at the conference in advance of the formation of a coalition government. He considered that the practical difficulties of deciding who should be the leader of the single delegation, and of ensuring that it would be with one voice at the conference would be too great.

4. Souphanouvong thought that it would take some time to reach agreement at Zurich on a coalition government and related questions. At the same time he stated in familiar terms the Pathet Lao theme that agreement can be reached provided the other side negotiates in good faith. This undoubtedly means in part that the other side must be prepared to accept something close to the terms to be demanded by Souvanna Phouma and Souphanouvong. At the same time, in the light of the concluding part of his statement at the conference, it seems to reflect a genuine apprehension that the Vientiane side, with USA backing, is still endeavouring to obstruct a political settlement.

5. Souphanouvong did not repeat not minimize the complexity of the problem which will have to be faced once a settlement has been reached. He realized that there will be a great deal to be sorted out on the military side, and at the same time he seems to have well developed plans for speedy evolution on the political side. He spoke of need to organize elections and to restore and develop municipal administrations. More generally he warned that the process of persuading people on both sides (particularly those who have participated in the fighting) to act in a spirit of reconciliation is considerable.

6. We once again drew Souphanouvong's attention to the problem of maintaining peace in the Padong area but were unable to make any impression on him. He seemed reasonably satisfied with the present situation in which the forces of the Vientiane side are fairly scattered. He would like to see them find their way back to their own area outside Xieng Khouang province. This was really the only solution he had to offer to the problem of supplying them with food, and he said he had already warned Vientiane side of the risk involved in further paratropping. He clearly considers that paratroops in present circumstances are likely to include a supply of arms, and he said that he will regard any attempt on the part of the Vientiane forces to penetrate other areas on the Xieng Khouang side or to infiltrate into the rear of his forces as a hostile act. He was unable to see how, in the circumstances, a team could be usefully stationed at Padong and he repeated his earlier doubts about the ability of the Commission effectively to control air flights.

7. It is our impression that Souphanouvong is concentrating on obtaining a political settlement that would suit his side and that his apparent unwillingness to facilitate a detailed and fully effective cease-fire stands partly from a genuine belief that the opposing side has not repeat not given up its efforts to press a military advantage wherever possible and partly from a desire to maintain a lever against apprehended intransigence by the Vientiane side in the political talks. The governing time factor in all this would appear to be the time which the Conference takes or is prepared to take in its efforts to reach agreement on the international issues.

[C.A.] RONNING

704.

H.C.G./Vol.10

*Le chef de la délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 875

Geneva, June 16, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 828 Jun 10.†

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Delhi (Priority), CCOS, CGS, DM/DND, DGPO (Priority) from Ottawa.

By Bag Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

MINISTER'S MEETING WITH SOUVANNA PHOUMA

Souvanna Phouma visited the delegation this morning to call on the Minister and return Ronning's call.

2. The Minister said he was dissatisfied with the conditions affecting the work of the Commission. There had not been a fully effective cease-fire, the Commission is prevented from examining the situation in troubled areas, and it lacks proper equipment particularly air transport.

3. On the cease-fire the Minister referred particularly to Padong and expressed his disquiet about the fighting which had occurred there and about the existing situation. Souvanna Phouma gave the same account of the Padong affair which he had given to Ronning, stressing that the parachuting of reinforcements in the Padong area close to Xieng Khouang had indicated a probable intention on the part of the Vientiane side to launch a further attack on the Plaine des Jarres in due course. He was still afraid that the Vientiane side had this intention. In his view parachuting and movement of troops, which he does not repeat not believe have stopped, constitutes a violation of the spirit of the cease-fire which makes it difficult for the Xieng Khouang side to observe it in the letter. The Minister stressed that an end to the fighting is the essential thing and that this could be more easily ensured and at the same time the apprehension of the Xieng Khouang side could more easily be set at rest if the Commission were able to keep troubled areas under observation.

4. Souvanna thought that the Commission would be in a better position to control the present situation if, at the outset, it had asked the partner to indicate on maps the location of their respective forces. The Minister showed Souvanna Vientiane telegram 68 June 15† drawing his attention particularly to paragraph 3 in which it was reported that the Pathet Lao side said they would not repeat not agree to the Commission visiting Padong. Souvanna reflected on this and said he would send instructions to his representatives.

5. Souvanna said he understood the Commission had the use of one Beechcraft and one other civilian airplane. He agreed with the Minister however that the Commission should have adequate transport of its own and, when the Minister suggested that his representatives either inside or outside of the conference might use their influence in this regard, he said he would see what he could do.

6. The Minister informed Souvanna that, at yesterday's session, Harriman had referred to press reports of an attack on a government position near Paksane. Souvanna did not repeat not seem to have heard of this attack and asked exactly where it had taken place. We ascertained from the American delegation that it is reported to have taken place at Hat Bo and Pak Lat.

Souvanna thought, from the location of these places, that any Vientiane post there must be new ones (he evidently meant occupied subsequent to the cease-fire) because these places lie in the area which had been liberated by the Xieng Khouang side by the time of the cease-fire. Souvanna thought that the Commission ought to investigate this latest incident without delay and he hoped that it would address itself to the parties with this in view.

7. Souvanna is still very mistrustful of American intentions. He opened the interview by asking the Minister if he considered that USA Government sincerely desire a settlement. The Minister replied in the affirmative, underlining the desire of the new administration to reach negotiated settlements and citing the President, Harriman and Stevenson as among those pursuing this policy. It was true that, on Laos, the administration is being criticized by opposition groups who believe that a settlement would be a sell-out but such opposition is normal in a democratic country and would be of no repeat no significance once a settlement is reached. Souvanna replied that it is the attitude of these groups, as well as of the American military personnel in Laos, which prevents him from having confidence in USA policy. He mentioned incidentally that he knows that two Thai battalions are in Laos. He wondered if the President and the State Department can effectively control policy on Laos. The Minister said he believes they can.

8. The interview ended with Souvanna assuring the Minister that the problems affecting the cease-fire would be among the first to be discussed when he meets the other two Princes at Zurich.

[C.A.] RONNING

705.

DEA/50052-B-11-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-377

Ottawa, June 22, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tels. 644 of May 23, † 780 of June 3, † and 787 of June 5. †

Repeat for Information: Washington, London, NATO Paris, Paris, Permis New York, Delhi, DGPO (Priority).

By Bag Saigon, Vientiane, Phnom Penh from London.

PROTOCOL TO 1954 AGREEMENT ON LAOS

Clearly, the central issues to be resolved in respect of Laos are political and the main purpose of the conference is to reach agreement on a new political settlement. In our view, legal considerations affecting the form of an amending instrument are of secondary importance and should not be allowed to interfere with the conclusion of a satisfactory political agreement.

2. It has been suggested that the use of the protocol form might be open to objection on one or more of the following grounds:

(a) The present belligerents are not the same as those in 1954 agreement.

(b) Protocols are normally used to add minor points to or to clarify the interpretation of formal treaties or conventions and should not be used to amend cease-fire agreements which are essentially provisional in character.

(c) It would be without precedent.

In our view, none of the above objections, which are general or theoretical in character, is overriding, and provided the parties to the 1954 agreement or their successors also sign the proposed protocol, we see no fundamental objection to amending the 1954 agreement by means of a protocol.

3. In view of the Minister's decision not to repeat not to table the Canadian draft immediately but to use portions of it when opportunity arose in restricted negotiations (our telegram Y-323 of May 31),† question of putting our document into correct legal form appeared less urgent. Following amendments to Canadian draft would appear to be required:

Article 20. Final sentence to read "It shall be responsible for control and supervision of the application of the provisions of the Cease-Fire Agreement dated _____ (to be concluded between parties at Ban Namone), the declarations dated _____ on the neutrality of Laos, the provisions of the Geneva Agreement of 1954 and of this Protocol."

Article 22. First paragraph to read "The International Commission shall fulfill the functions of control, observation, inspection and investigation connected with the implementation of the provisions of the Cease-Fire Agreement dated _____, the declarations dated _____ on the neutrality of Laos, the provisions of the Geneva Agreement of 1954 and of this Protocol, and shall in particular."

4. We agree it would be preferable to avoid saddling the Commission with responsibility for interpreting an article stating that protocol would take precedence over 1954 agreement whenever the two were in conflict (paragraph 6 of your telegram 787). Until pattern becomes clearer as a result of negotiations, it might also be wise not to spell out just what portions of 1954 agreement would be superseded. If Canadian draft were accepted in toto, theoretically it would be possible to supersede whole of 1954 agreement except Article I. However, since complete acceptance is unlikely, precise statement of articles to be superseded would have to be left until later. Among articles which appear to be rendered unnecessary by our draft in present form are following, Articles 2-5, whole of Chapter II, III and IV, Articles 19, 21, 21, 23 and the whole of Chapter VI.

706.

DEA/50052-B-11-40

*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], June 23, 1961

CONVERSATION WITH MR. AVERELL HARRIMAN

Before I left Geneva I had a visit from Averell Harriman who is leading the United States Delegation at the Laos Conference. After thanking me for the proposals I had put forward in my statement for terms of reference for the Commission and working methods, as well as for pressing that the necessary equipment should be given to the Commission to enable it to do its job, Mr. Harriman told me in confidence the position he was taking at the Geneva Conference and his concerns about the outcome of the Conference between the Princes at Zurich.

As regards United States objectives, he made it quite clear to me that the United States intended to work patiently for a negotiated settlement which would provide for a neutral, independent, united Laos. He did not exclude the possibility that some anti-communist force might try to retain control over part of the south of Laos and withdraw the remnants of the RLG troops there, preferring partition to being subjected to communist domination. Harriman,

however, said that the United States would not like partition and that it was still premature to give up hope for an acceptable settlement.

Harriman made it clear, however, that he would have to stand out for a reasonable settlement, particularly as regards the powers of supervision to be granted the International Commission. This was important not only for South-East Asia, but also in dealing with other East-West issues, including Berlin. If the United States accepted what Harriman described as a “phoney” solution in Laos, it would make it all the more difficult to negotiate with the Russians over Berlin.

Harriman gave me in strictest confidence some of his misgivings about the outline of the political agreement which seemed to be emerging from the meeting of the Princes in Zurich. The Assistant Secretary for Far Eastern Affairs, Mr. Steeves, had visited Zurich to have talks with General Phoumi and Prince Boun Oum, and Harriman’s views were mainly based upon the report he had received.

The general picture which Harriman had of these talks was a confident and almost triumphant Souvanna Phouma dominating the talks and treating the RLG representatives as a defeated party. Boun Oum, on the other hand, was demoralized and seemed only too anxious to quit politics. (Harriman, however, said that Boun Oum might have made a worse impression on Steeves on first meeting than might have been justified since Boun Oum was always apt to be less decisive than Phoumi.)

Souvanna Phouma apparently was laying down the law even more than his half-brother Souphanouvong, the leader of the Pathet Lao. He had told Phoumi that he intended to dissolve parliament and have an election within 90 days, and was already forming a cabinet in which he might find a place for General Phoumi, if the latter took off his uniform. He would not be given the Ministry of Defence. Moreover, Souvanna Phouma said that he was not prepared to discuss the formation of the cabinet with Phoumi or anyone else but the King.

Harriman said that the United States was concerned that Phoumi was over-confident about his ability to handle communist countries, particularly Russia, as well as the communists in Laos. The Pathet Lao and some of his own troops were riddled with communist infiltration, according to United States information. They also had some doubts as to whether Souvanna Phouma could, in fact, get election results that would not give the Pathet Lao the chance to take over the country. Souvanna Phouma was more dependent on Russia than he was on China and he seemed at the moment to be willing to trust Russia to help make Laos neutral.

Harriman’s own personal assessment of Souvanna Phouma was that, to put it politely, he was “self-assured”; more frankly, he was probably “very conceited.” Consequently, Harriman was worried that Souvanna Phouma might in fact be deluded by the communists into accepting assurances which would in the end bring Laos under communist control.

There were, in effect, two props for Laotian neutrality: (a) the form of the Laotian Government itself; and, (b) the International Commission. Since it was becoming increasingly unlikely that the Laotian right-wing parties would find any significant representation in a coalition cabinet, it was all the more important that the International Commission should be an effective instrument for supervising the cease-fire and the neutrality in Laos.

Consequently, the terms of reference of the International Commission were of utmost importance as a test of whether the settlement would be a true one or simply a cover for a communist take-over. Harriman said that, if Souvanna Phouma could speak out in favour of strong terms of reference for the Commission, it would be the best proof that he was in favour of a true settlement. Since the United States admittedly had little influence with him, Harriman was asking the French and British to bring influence to bear, particularly the former, so that Souvanna Phouma might be induced to support an effective Commission.

In particularly strict confidence, Harriman told me that, while he saw no alternative to Souvanna Phouma as Prime Minister since the King of Laos was unwilling to act as head of government, he had not yet been authorized by the President to support Souvanna Phouma openly. He got the impression that some outright sign of intent on the part of Souvanna Phouma to stand up to the communists would help the United States in throwing its support behind Souvanna Phouma as, for example, his endorsement of effective powers for the International Commission.

Harriman also was a little concerned about the role of Prince Sihanouk in his self-assumed role of helping set up a Laotian government. He emphasized that the United States Government was not against the Conference and was being careful to do nothing which would interfere with it in any way. But Sihanouk seemed to be competing with Krishna Menon to play a mediatory role, thereby running the risk of creating a government which would lean too heavily in the direction of the communists. In conclusion, Harriman told me emphatically again that he was not too pessimistic about the prospects of a Laotian settlement and that we must go on talking anyway. He was obviously counting on the United Kingdom and particularly France to do more about trying to prevent a disguised communist take-over in Laos through a quickly patched-up political settlement around Souvanna Phouma.

I have put these views in the form of a memorandum since Harriman told me that he had not spoken as frankly of his fears as well as his hopes to anyone else.

H.C. G[REEN]

707.

DEA/50052-B-11-40

*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], June 29, 1961

LAOS: WORK OF CONFERENCE

In view of the difficulty of getting the Conference started on a study of detailed terms of reference for the Commission, it seems desirable to make representations in Paris, London, Washington and New Delhi along lines suggested in your statement of June 19. Attached telegrams to Paris and to Geneva are for your signature if you agree.²⁴

N.A. R[OBINSON]

²⁴ Notes marginales :/Marginal notes:

Signed as amended by SSEA 29/6. R. C[ampbell]

The amendments made by the SSEA all reflect his view

1. That it is not Canada's responsibility to be pressing for an early political settlement, especially when the USA is endeavouring to delay one.
2. That the USA is correct in its judgment that an early settlement can only be achieved at the cost of major concessions by Phoumi, which in turn would hasten the day when leftists might dominate a central govt. SSEA wanted this made plain to Ronning in a tel. R. C[ampbell] 30/6

[PIÈCE JOINTE 1/ENCLOSURE 1]

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur en France*

*Secretary of State for External Affairs
to Ambassador in France*

TELEGRAM Y-387

Ottawa, June 29, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Laos Del's Tel. 1012 of June 28.†

Repeat for Information: Laos Del Geneva, London, Washington, Delhi, NATO Paris, Permis New York (OpImmediate), Vientiane, CCOS, CGS, DM/DND, DGPO (Priority).

By Bag: Saigon, Phnom Penh, Moscow, Warsaw, Canberra, Wellington, Tokyo, Kuala Lumpur, Jakarta from London.

FUTURE WORK OF CONFERENCE

You will have noted Ronning's report that French delegation at Geneva still hopes that Souvanna Phouma will wish to have a relatively effective Commission and that he can be persuaded to support continued French presence in Laos. No doubt ministers and officials will be speaking to him along these lines during his present stay in Paris.

2. In addition to above considerations which we support, I am concerned at prospect that Conference will be able to do little more than mark time for next three weeks while awaiting the outcome of further talks between Laotian leaders. Our concern is the greater (a) because during this interval, Commission is in danger of being left to cope with cease-fire under conditions which are likely to deteriorate and with functions and terms of reference still in dispute and (b) because a cease-fire which was effectively supervised might itself contribute towards and facilitate a political settlement among Laotian factions. The longer the Commission is left without agreed instructions and essential equipment to carry out its task, the easier it will be for Pathet Lao to complete consolidation in areas under their control and to exact a higher price in subsequent political discussions.

3. Suggestion that Conference defer detailed study of Commission terms of reference until "voice of Laos can be heard" assumes that by July 20 there will be full agreement on political settlement and a coalition government in being which can play an effective part at Geneva. In our experience, if left to themselves, Laotian leaders seldom reach agreement so directly or so quickly and expectation of agreement between three Princes within three weeks seems unrealistic.

4. Prospects would be improved if action were taken to get Conference to proceed without delay to detailed study in restricted session of proposals now before it. A general expression of views, topic by topic, on proposals already tabled without full delegations present might enable Conference to get away from cold war polemics and might conceivably reveal possibilities for agreement by concession or compromise which are not now evident. This procedure would not preclude introduction of new proposals by Cambodia, India, RLG or others at any appropriate stage.

For Paris: Please convey these views to Quai d'Orsay.

For London; Washington: If you see no objection, please convey sense of above informally to Foreign Office/State Department. Washington may wish to speak along above lines to General Phoumi should a suitable opportunity arise before his departure.

For New Delhi: It would be helpful if you could speak along above lines to Gundevia or Desai, pointing out that conference cannot mark time indefinitely while waiting for Laotians to reach agreement.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-388

Ottawa, June 29, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1012 of June 28.†

Repeat for Information: London, Washington, NATO Paris, Paris, Permisis New York, Delhi, Vientiane from Delhi (Priority).

By Bag from London: Saigon, Phnom Penh, Moscow, Warsaw, Canberra, Wellington, Tokyo, Kuala Lumpur, Jakarta.

FUTURE WORK OF CONFERENCE

As you will see from our telegram Y-387 of June 29, we are attempting to rally support for early consideration by Conference in restricted session of proposals already tabled along lines suggested in my statement of June 19. To countenance Lall's argument that Conference cannot get on with its work until Laotians are able to speak with one voice goes too far towards accepting idea that Laotians will have final say in determining powers and functions of Commission. We agree, of course, that cooperation of Laotians is important as without their willing collaboration, Commission will have difficult time in operating effectively. However, RLG delegation now having taken a seat at table, its leader will presumably be able to express views of Vientiane party on suitable terms of reference for Commission (paragraph 4 of your telegram 1014).† Moreover, procedure I have proposed does not exclude possibility of new proposals being introduced at any suitable stage.

2. In discussions with other delegations, and particularly with delegations of Western countries, India and non-communist Asians you should continue to press the above point in addition to those in my telegram Y-387 of June 29 to Paris. At a suitable time, you should also make a statement along these lines to the conference.

[H.C.] GREEN

708.

DEA/50052-B-11-40

*Le chef de la délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 1016

Geneva, June 29, 1961

CONFIDENTIAL, OPIMMEDIATE.

Reference: Our Tel 1012 Jun 28.†

Repeat for Information: Washington (OpImmediate), London, NATO Paris, Paris, Permis
New York, Delhi (Priority), CCOS, CGS, DM/DND, DGPO (Priority) from Ottawa,
Vientiane (Priority) from Delhi.

By Bag: Saigon, Phnom Penh, Jakarta, Kuala Lumpur, Tokyo, Canberra, Wellington,
Moscow, Warsaw from London.

LAOS CONFERENCE – PRESENT PROSPECTS

Statements over last week by Communist representatives in Conference seem to have been directed toward three major objectives: (a) a redefinition in even more restrictive terms than had been apparent before of their approach to the terms of reference for International Commission; (b) underwriting by Geneva Settlement of formal abrogation of SEATO protection for Laos; (c) establishment, as representing unified “voice” of Laos, of their interpretation of Zurich communiqué.²⁵

2. Two most significant statements in connection with terms of reference for Commission have been those of Chen Yi and Quinim Pholsena representing Souvanna Phouma. Perhaps in reaction to Cambodian draft, Chen Yi strongly implied that China would not repeat not accept stationing of Commission teams along borders of Laos. This was reinforced by Quinim when he stated that it was official view of Souvanna that there would be no repeat no fixed teams whatever and that Commission in sufficient numbers should be stationed at Vientiane. He then went on to add further restriction that any activity undertaken by Commission should be only at request of Laotian Government, a limitation which was not explicit in Soviet draft. Any doubt Quinim’s meaning was dispelled yesterday by North Vietnamese.

3. In a conversation at Boun Oum reception we taxed Quinim with going beyond what Souvanna had previously said about Commission. He insisted that his statement had been made on Souvanna’s authority but when pressed said that there was nothing more he could say in view of his instructions. We had impression that in this he may have been referring to emergent communist party line rather than to specific instructions from Souvanna Phouma. French still think that Souvanna himself would accept better terms for Commission if he could assert sufficient independence.

4. As we have reported in other recent messages, Harriman still seems reluctant to place much trust in Souvanna Phouma and, now that he and Phoumi are in Washington for consultations, it seems likely that USA policy on Laos is under review. It is evident that, as far as USA delegation here is concerned, there is no repeat no disposition to break off Conference but they evidently feel pessimistic regarding its chances of bringing about a satisfactory agreement and at same time are suspicious of any political settlement likely to be worked out in Laos. These attitudes are certainly understandable but from our point of view they are

²⁵ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 2834, *Documents Relating to British Involvement in the Indo-China Conflict, 1945-1965* (London: Her Majesty’s Stationery Office, 1965), pp. 174-75.

somewhat disquieting because so far Americans do not repeat not seem to have any constructive alternative in mind, in either field, beyond continued hope that Commission might be able to control situation.

5. Americans remind us that they are under heavy pressure from congressional groups and press to avoid a settlement in Laos prejudicial to their position in Southeast Asia and they also tell us that Thai and South Vietnamese are insisting on this. Sooner or later they will have to balance the risks in Laos against risks elsewhere in area, but they do not repeat not seem ready to face this issue yet.

6. While we would not repeat not wish Laotians to reach a political settlement which would be tantamount to capitulation to Communists, it is difficult to see how situation on ground in Laos or at Conference in Geneva can be resolved until a provisional government has been formed. This would presumably entail a formal cease-fire agreement which would make it easier to control situation in Laos and would result in seating at Conference of one delegation representing Laos. This in turn would provide a basis on which Conference could finally get down to business of making a serious effort to draw up terms of a settlement. To pose the situation in these terms is to concede a great deal to opposite side but it may be that, if there is to be any possibility of reaching a settlement and of avoiding unpredictable circumstances of failure it will be necessary to go this far in recognizing the underlying realities of situation.

[C.A.] RONNING

709.

DEA/50052-B-11-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-389

Ottawa, June 30, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 1016 of June 29.

Repeat for Information: London, Washington, NATO Paris, Paris, Permis New York, Delhi, Vientiane (OpImmediate), CCOS, CGS, DM/DND, DGPO.

By Bag: Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

CONFERENCE PROSPECTS

While the establishment of a single government is one element in Laotian situation, the promotion of such a government clearly is not repeat not our responsibility. Our primary interest has been and continues to be supervision of the cease-fire, and the securing of effective terms of reference for the Commission.

2. We have spoken to the Indian High Commissioner, pointing out that while there must eventually be a single government to sign agreements worked out at Geneva, absence of such a government at this stage need not delay detailed study of terms of reference and provision of the essential equipment to the Commission, particularly since three main political forces are now seated in Conference. It would be helpful if you could use your influence with Indians to overcome their reluctance to proceed immediately with above practical tasks.

3. As you point out, if there is to be a settlement, at some point Americans will have to balance risks in Laos against risks elsewhere in South East Asia, and this process may entail acceptance of a single government which is not altogether to their liking. It is, however,

questionable whether time is ripe for such a major concession by West, and I would not wish Canadian delegation to be associated with any efforts to persuade Americans to make up their minds on this essential point. As I said above our main responsibility is to ensure the effective supervision of the cease-fire and to secure terms of reference which will enable the Commission to discharge adequately the responsibilities placed upon it.

[H.C.] GREEN

710.

DEA/50052-B-11-40

*Note du premier ministre
pour le premier ministre de l'Inde*

*Message from Prime Minister
to Prime Minister of India*

CONFIDENTIAL

[Ottawa], July 8, 1961

As you will know, we have been much concerned about the International Supervisory Commission in Laos not only with regard to its present responsibility for maintaining effective supervision over the cease-fire but also in relation to whatever tasks may be assigned to it by the powers now conferring in Geneva.

2. On broad objectives, I feel we are in complete accord. When the invitation to serve on the Indo-China Commissions arrived seven years ago, Canada accepted in the belief that the Commissions would help to establish conditions of stability and security in South East Asia and to keep the Indo-China States outside the scope of great-power conflicts. These purposes have been fundamental to our approach to the Indo-China problem since 1954.

3. I have also been impressed by your view that the various balances in Indo-China have been precarious, requiring constant mediatory efforts by the Commissions. I recognize that the opportunity for the Laotians to shape their own future may turn upon maintaining the delicate equilibrium between the political forces at work within and about that unhappy country. It is precisely for this reason that I have sought to ensure that the Laos Commission be an effective one and not become merely a façade under cover of which one particular group may achieve its aims with outside support.

4. From the statements of their representatives at Geneva and developments both in Laos and at the Conference, I believe that the Communist powers are unwilling to accept a measure of international supervision which would offer reasonable assurance that the genuine neutrality and independence of Laos can be maintained. So far they have effectively blocked every effort to investigate breaches of the cease-fire, and the current negotiations about equipment are the most recent example of their determination to ensure that the Commission should not have independence of action in carrying out investigations.

5. The establishment of conditions that would enable the Commission to carry out effective supervision of the cease-fire is important not only in relation to the cease-fire but also in relation to the main task which still lies ahead at Geneva. It is for this reason that we have strongly urged the importance of adequate facilities and freedom of action. As I see it, since the Conference is presumably not concerned with the type of government which will emerge, the main issue which it must face is that of supervision, and the main task to seek acceptable terms of reference for the Commission.

6. Our reports from Geneva indicate that an impasse has developed on whether the Soviet or the Franco-American drafts should be taken as a basis for discussion. To overcome this difficulty we are suggesting that the Conference might begin with the 1954 terms, which most delegations have agreed would constitute a suitable starting point.

7. In view of the important role the Commission will undoubtedly have to play in any settlement generally acceptable to all the interested powers, it seems to us essential that the Commission should have under its own control the equipment and the operations and maintenance personnel necessary to enable it to discharge effectively its assigned duties. In addition it must be able to decide by simple majority what it should investigate and how investigations should be conducted. Far from interfering with the true independence of Laos, such impartial international control would make that independence possible.

8. I am anxious that you should have a full understanding of the position we have taken. While there have been from time to time differences of judgment on particular problems before one or other of the Commissions in Indo-China, our objectives and principles have been identical. There has been understanding and co-operation between the Indian and Canadian Commissioners in performing tasks which have not been easy. The Conference in Geneva now appears to have reached a critical point, and I know that you are as anxious as I am that a just and peaceful settlement be made. I hope that you may agree with the attempts we are making to make such a settlement possible.

With kind personal regards,

Yours very sincerely,

JOHN G. DIEFENBAKER

711.

DEA/50052-B-11-40

*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 10, 1961

FUTURE WORK OF THE CONFERENCE

As you know, the Conference has now reached a stalemate on how to proceed with the work before it, the Communists insisting that it must first discuss neutrality, while the Western powers hold that the question of supervision is the issue which must have priority. Pushkin has reacted strongly against the suggestion that these two aspects be discussed on alternate days. (LaosDel's telegrams 1098† and 1099† of July 8.)

2. Attached for your consideration and approval is a telegram to Ronning commenting on the procedural issue now confronting the Conference.²⁶

N.A. R[OBERTSON]

²⁶ Note marginale :/Marginal note:
Y-404 signed by SSEA 10/7. [Ross Campbell]

[PIÈCE JOINTE/ENCLOSURE]

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-404

Ottawa, July 10, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tels 1098† and 1099† of July 8.

Repeat for Information: London, Washington, Paris, NATO Paris, Permis New York, Delhi, Vientiane (OpImmediate), CCOS, CGS, DM/DND, DGPO.

By Bag: Saigon, Phnom Penh, Tokyo, Kuala Lumpur, Jakarta, Warsaw, Moscow, Canberra, Wellington from London.

FUTURE WORK OF CONFERENCE

I agree with Steeves' views that there are urgent problems in the area of control which clearly fall within the "international" aspects of a settlement and which should be clarified as soon as possible. From our point of view, the most important of these are Commission equipment and freedom of access. Of course, it is only in a limited sense that these can be described as "short term problems of control." While it is true that we are looking for means of meeting immediate needs in the period before a settlement, we oppose any plan directed to the immediate situation which would compromise the principles which are essential to an acceptable settlement.

2. As a device for enabling the Conference to get on with its work, there may be something to be said for the Conference taking up these two broad aspects of the problem simultaneously. One procedure, which Pushkin already appears to have firmly rejected, is for the Conference to discuss these problems on alternate days. Another would be to get up two working groups which could work concurrently on the questions of neutrality and on supervision. If the latter procedure were chosen, it would of course be essential to ensure that Western position in the two committees was closely and continually coordinated to avoid concessions in one field which might prejudice principles vital in the other.

3. As far as the Canadian delegation is concerned, the essential points are to keep firmly before the Conference the questions of equipment, freedom of access and suitable terms of reference for the Commission and to leave others to take the lead in discussions about neutrality. If as a result of discussions on the future work of the conference, the USA, UK, and French delegations are prepared to agree to some device for concurrent considerations of neutrality and supervision, I would not, of course, want you to oppose it.

[H.C.] GREEN

712.

J.G.D. 845/I41L298

*Note du premier ministre en Inde
pour le premier ministre
Message from Prime Minister of India
to Prime Minister*

SECRET

[Received July 11, 1961]

I thank you for your message which has been communicated to me by my High Commissioner in Ottawa.

2. I can assure you that I share your concern about the present state of affairs in Laos. The conference at Geneva has unfortunately made disappointingly slow progress, but it would be futile to find fault with anybody. After the prolonged debates, at the start, on the question of an effective ceasefire, we now seem to be held up on the issue of equipment to be provided for the Commission. While I would readily agree that the Commission must have some transport at its disposal, it is perhaps essential to understand that under its present very limited terms of reference the Commission can do little or nothing without the consent of both parties to the Conference. Therefore, until the functions of the Commission are fully defined by the Conference itself, the question of equipment must be treated as a relatively secondary issue.

3. I would say here that I am concerned at reports reaching me from Laos. After the Zurich meeting of Princes, it seems now essential that all parties in Laos should get together and quickly come to terms on the formation of a coalition government. This is only possible if Souvanna Phouma is encouraged to bring about a fairly strong centre with the others playing a lesser role. Pathet Lao, on the other hand, I feel cannot be expected to play only an unimportant part in the coalition when they have as good as conquered more than half the country. Our reports suggest that there is grave danger of resumption of hostilities if the formation of a national government is delayed very long, for whatever reason.

4. I agree with you substantially that in regard to the functions (not so much "powers") of the Commission we should adhere as far as possible to the 1954 Agreement. The trouble lies in the attempt at deviating too far from the fundamentals of 1954. We are of the view, for instance, that the Commission should neither be bound by the rule of unanimity nor by the rule that all decisions must be arrived at by a simple majority. We feel that the Commission must decide major issues on basis of agreement among its members. In general we would like the Commission to be authorised to assist and advise, and not so much control, the independent Government of Laos of the future, to maintain its sovereignty and territorial integrity, as also its neutrality, which the Conference powers all seem prepared to guarantee.

5. I would add that, despite all limitations, the International Control Commission in Laos by all accounts has fulfilled its tasks admirably and I must thank you for the cooperation and assistance that the Indian Chairman has received in this from your representative.

With kind personal regards,
JAWAHARLAL NEHRU

713.

DEA/50052-B-11-40

*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 23, 1961

LAOS – PROGRESS OF THE CONFERENCE

You will recall that the Co-Chairmen agreed at the beginning of the restricted meetings to a schedule of items for discussion. This schedule was divided into two sections – Draft Declarations on neutrality of Laos, and the Agreement, or Protocol. (Telegram 1193 of July 24 from Geneva attached)†

2. The Conference has now completed its work on the neutrality declarations and has begun to consider the Agreement itself. When general agreement has been attained on any one topic in the restricted session, a drafting committee produces an agreed draft article, taking into account the views that were expressed on the subject in the restricted session. This Committee has now produced an agreed draft Declaration of Neutrality, and the text of that Declaration is also attached. ‡ On two items of the schedule in this section (Nos. 13 and 16) discussion was limited to an exchange of views. These items concerned general undertakings by the Government of Laos, and it was felt it would be more appropriate for the Government of Laos itself to take action on these topics at a later date.

3. There were three matters in the neutrality declarations on which no agreement was reached, one relatively minor and two on which it will be very difficult to reach agreement. The Conference agreed to defer for the time being the question whether there would be one neutrality declaration, incorporating the declaration of the Government of Laos, or two separate ones. (Item No. 1 of the schedule.)

4. Item No. 8 of the schedule, (“understanding that ... treaties ... which conflict with ... neutral status of Laos cease to have effect”) was deferred because of lack of agreement. This item covered the part of the Soviet draft dealing with the South East Asia Treaty Organization. Similarly the question whether foreign troops and military bases permitted under the 1954 Agreement were to be allowed to remain was also deferred until later, and the French Representative on the Drafting Committee agreed to the general prohibitions on these two points in the neutrality declarations with this reservation.

5. So far we have had a report from our delegation on only the first item of the Agreement itself (Section “B” of the schedule). This is the preamble to the Agreement and the question whether it should refer to the 1954 Agreement has been deferred.

6. It seems evident from the pattern that has emerged so far that this first discussion in restricted session is recording agreement only on matters on which agreement already exists. There is no sign yet of a departure on either side from established positions. Of the items so far considered, it is the question of the continuation of the South East Asia Treaty Organization which has, not surprisingly, generated the most heat. Since the Conference began it has become evident that the United States has suffered two potential setbacks in future negotiations on this question; the Zurich Agreement between the three Laotian Princes stated that Laos would not “recognize the protection of any alliance or military coalition” and both Burma and India have expressed themselves firmly in favour of the South East Asia Treaty Organization withdrawing its protection from Laos.

7. Both sides are agreed in theory that Laos must be neutral; what has divided them is how this neutrality is to be assured. Since it is these questions which are now beginning to come up at the Conference, we can be certain the rate of progress will be even slower than it has in the past.

N.A. R[OBERTSON]

714.

DEA/50052-B-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*

SECRET

[Ottawa], September 27, 1961

THE PREDICAMENT IN LAOS

Five months have passed since the Laotians stopped fighting and the fourteen delegations at Geneva began discussing a settlement. In that time, very little progress has been made by the Laotians towards a political solution of their problems. The ceasefire has been generally effective, though the Commission has been able to do little, except by its mere presence, to bring this about. Both sides, however, have taken advantage of the lull to reorganize formations and to build up supplies. Now the monsoon is coming to an end. In the absence of a settlement, the possibility is growing that the opposing forces will again try to secure in the field a solution which has so far escaped them at the negotiating table. The best available assessments are agreed that renewed fighting would result, within days or weeks, in the collapse of the Vientiane Government's forces – unless these were massively supported from outside. General Phoumi appears confident that his group would receive such outside support. Moreover, evidence is accumulating which strongly suggests that he is actively planning to precipitate a widening of the war. In this he is almost certainly receiving some encouragement from the Thai and South Vietnamese authorities. Certain elements of the United States military and civilian services may also be conniving with him to this end, contrary to the policy of their own government.

2. Meanwhile, at Geneva, the Conference has been making slow but perceptible progress towards agreement. On the broad outlines of a possible settlement, a considerable measure of agreement has already been achieved. The principle of Laotian unity and territorial integrity has not been challenged by any delegation, though at one time a shift to partition seemed a distinct possibility. The objective of genuine neutrality for Laos (which, if it could be achieved, would mean an acceptance by both West and East of the thesis that the pursuit of complete victory would entail unacceptable risks) has been professed with a growing appearance of conviction by both the United States and the Soviet Union. The concept of a coalition government for Laos, embracing all the principal trends of Laotian opinion, has come to be regarded as virtually inevitable and probably acceptable by the delegations of all the important powers. The device of a tripartite commission to represent the continuing international interest in the maintenance of a settlement, about which there was profound scepticism in some quarters at the beginning of the Conference, is now generally accepted as necessary. These are substantial advances. Compared to them, the questions which remain in dispute, though by no means unsubstantial, are of distinctly secondary importance.

3. In attempting to see the present predicament in perspective, it is helpful to compare it with the situation in 1954. Then, though the French had conceded the impossibility of victory in the

Indochina war, there still remained in the three Associated States a French expeditionary force of more than 400,000 men. The United States, after coming close to military intervention, had drawn back, but then refused to be associated with or to support the settlement reached at the Geneva Conference of that year. In a military sense, the position in 1961 is undeniably worse from the Western point of view. The French troops are gone, with few exceptions; the Pathet Lao control (wholly or in unstable partnership with the supporters of Souvanna Phouma) not two provinces out of twelve, as in 1954, but two-thirds or more of the country; and nuclear capability is no longer the sole possession of the United States but belongs also to the Soviet Union and may before long belong to the Communist Chinese. In a political sense, the contrast is perhaps less stark. There seems a reasonable chance that Souvanna Phouma may be able to form a coalition government with at least nominal control over the whole country, not three years after the settlement, as before, but at its inception; the North Vietnamese are probably more amenable to Soviet direction than they were in 1954; and, most important, the United States Government has drawn from its Laotian experience in the years 1954 to 1961 the conclusion that this time it can probably best contribute to the stability and security of Laos by being associated with the settlement and by supporting a broadly-based government, even though it be uncommitted and its future uncertain.

4. The United States Government cannot contemplate abandoning Laos to its own devices: it cannot do this in conscience or in the light of its world responsibilities or consistent with congressional and public opinion. That leaves either a settlement or large scale military intervention under the SEATO umbrella, answered inevitably by no lesser Communist intervention, whether in Vietminh or in other uniforms.

5. If the above analysis is approximately correct the Geneva Conference must not be allowed to drift and fail. It seems to me that the best we can hope for is the early acceptance of Souvanna Phouma as Prime Minister of Laos and the conclusion of an agreement in Geneva involving compromises and the acceptance of some second best solutions.

6. The most direct Canadian interest is in the Commission. Our starting-point in May was to seek to improve this in the light of experience since 1954. There remain possibilities of securing improved terms, but little prospect of coming close to our original maximum objectives. We should be no worse off and little better. It is striking that the Americans, not long ago the most severe critics of the Commission, seem now prepared to accept the traditional Commission as the best obtainable under the circumstances. In general this means that we should be prepared to live with any concessions that the United States may be willing to accept.²⁷

N.A. R[OBERTSON]

²⁷ Notes marginales :/Marginal notes:
No. [H.C. Green]

It is the final sentence only to which the Min. took exception in this memo. R. C[ampbell] 28/9

715.

DEA/50052-B-40

*Le chef de la délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 1924

Geneva, November 25, 1961

CONFIDENTIAL. EMERGENCY.

Repeat for Information: Washington, Permiso New York, Candel New York, Paris, NATO Paris, London (OpImmediate), DM/DND, CCOS, DGPO, CGS (OpImmediate) from Ottawa.

By Bag: Saigon, Delhi, Vientiane, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

STATE OF NEGOTIATIONS

In an effort to reach agreement on voting Western Four had prepared two alternative drafts which were ready for submission to our respective governments for approval. At this juncture Pushkin unexpectedly submitted a compromise draft based on our most recent proposal. This draft is quoted in full in paragraph 2 below.

2. Begins: The International Commission for Supervision and Control in Laos functions as a single organ of the International Conference for the Settlement of the Laotian Question. The members of the Commission will work harmoniously and in co-operation with each other with the aim of solving all questions within the terms of reference of Commission.

Decisions of the International Commission on questions relating to violations of articles/items 2(a), 2(c), 2(d), 3 (and provisions of article 5(a)) of this agreement as well as all the conclusions and recommendations shall be adopted unanimously. On other questions, including procedural questions, and also questions relating to the initiation and carrying out of investigations (article ...), decisions of the International Commission shall be adopted by majority vote. Ends.

3. This draft suggests that decisions on article 5(a) are associated with its provisions and not repeat not violations. It is therefore not repeat not included with the articles listed in the first sentence of the second paragraph of the article. Reason given for this separation is that article 5(a) deals with functions of Commission. Article 5(a) however does make reference to the cease-fire and we therefore would like to include violations of cease-fire with other articles specifically listed. MacDonald thinks there is some hope of Pushkin giving favourable consideration to the following substitute sentence: "decisions of the Commission on questions relating to violations of articles (items 2(a), 2(c), 2(d), 3) of this agreement and of the cease-fire arrangements referred to in article 5(a), and all the conclusions and recommendations shall be adopted unanimously."

4. To meet our fears that article on voting could be interpreted to prevent the Commission from submitting majority and minority reports on articles specified, there is a possibility that Pushkin may accept a revision in Co-Chairmen article (discussed below) ensuring that unanimity will not repeat not apply. MacDonald says Pushkin may make this concession in Co-Chairmen article if we accept his revised draft on voting even if voting article is amended as we propose.

5. I think you will agree that even if we cannot repeat not obtain the revision which MacDonald will try to get Pushkin to accept, Pushkin's draft article on voting corresponds closely to the suggestion submitted to you in paragraph 12 of our telegram 1843 November 6† which you approved in your telegram Y-613 November 9.† May I assume therefore that we may now tentatively agree to this draft on understanding of course that MacDonald shall try if possible to obtain Pushkin's acceptance of our amendment.

6. Article on Co-Chairmen: In paragraph 2 your telegram Y-626 November 16† you approved of proposal submitted in paragraph 5 our telegram 1903 November 13† which outlined reasons for proposing reopening Co-Chairmen article which had already been agreed; as a result of more recent negotiations Western Four now propose following redraft which MacDonald believes Pushkin will consider favourably if an agreement is reached on voting article: "In addition Commission shall immediately report to Co-Chairmen any important information which may assist them in their functions and shall immediately inform them of any violations or threats of violations of this agreement." Rest of sentence remains unchanged. This formula does not repeat not make specific reference to articles listed in our former proposal because it has become evident that Chinese would not repeat not permit Pushkin to accept that formula. Pushkin has suggested that it would be preferable to make a general reference to "functions" of Co-Chairmen rather than specifically listing relevant articles. You will remember that Harriman has attached greater importance to Co-Chairmen's functions in supervising the observance of Laotian neutrality than to any other aspect of whole agreement. He therefore agrees that a general reference to "functions" may have advantage not repeat not only giving Co-Chairmen a wider scope than a reference to specific articles previously listed did but he also believes that reference to function of the Commission in assisting Co-Chairmen in carrying out their functions will give Commission some of the responsibilities for which French article 1 was designee.

7. Pushkin, who at first objected to reopening article on role of Co-Chairmen because he said this article had already been agreed, now requests that since article is being reopened he proposed that letter "s" be deleted from word "declarations" in the second last sentence of article. He maintains that Vongvichit will insist upon this in the restored session which will consider the article and Pushkin thinks that Conference will be forced to accept this demand as it will certainly be backed by representative of coalition government as otherwise there remains the implication that Laotian sovereignty is violated. Pushkin believes it would be wiser to make this change now rather than be forced by the Laotians to accept this change. Pushkin also argues that since the Laotian declaration will be quoted in full in our declaration it is unnecessary to refer to both declarations as reference to our declaration will automatically include the Laotian declaration Western delegations point out that both sides already agree (see paragraph one (5) of Laos document 29 August 21) that Thirteen Power Declaration and the forthcoming Declaration of Laos will be regarded as constituting a single international agreement. Furthermore Pushkin is prepared to agree to an exchange of letters between Gromyko and Home which will interpret the second last sentence of Co-Chairmen article as giving the Co-Chairmen the authority to supervise Laos as well as the thirteen signatories of declaration.

8. Article on inspection teams: (Access) Pushkin has now proposed that following sentence "the length of stay of the Commission and its teams, and the places where they go for investigation shall be determined in relation to requirements of particular investigation" replace our sentence "the places to which the Commission and its teams shall go and the length of their stay in those places shall be determined in relation to the requirement of the particular investigation." While Pushkin's sentence is more clumsy and less precise it nevertheless preserves our position and meets the requirements to which you attached importance in your telegram Y-627 November 18.† I think you will agree that this sentence together with article

which has already been adopted on items 6, 7(a)(b) and (c) (see paragraph 11 Laos Document 31 October 27) does meet our requirements on access making unnecessary a separate article.

9. Due to the critical stage in negotiations (upon which I am reporting separately) which has now been reached, I would appreciate receiving your comments by emergency telegram as soon as possible.

10. With further reference to voting article you will note that Pushkin has agreed in the second sentence of paragraph 2 of his draft article that questions relating to the initiation and carrying out of investigations shall be adopted by majority vote. This reference to article on investigations may make unnecessary the reference to the voting article in last sentence of article on investigations (see paragraph 9 our telegram 1912 November 18). † MacDonald will nevertheless try to retain this reference if possible.

[C.A.] RONNING

716.

DEA/50052-B-11-40

*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 27, 1961

LAOS CONFERENCE – NEGOTIATIONS

It is clear from Ronning's telegram No. 1924 of November 25 (attached) that the Laos Conference is now very close to agreement on the terms of reference of the Commission. This telegram reports on three important subjects which are not yet fully agreed: voting (paras 1-5 and 10), co-chairmen (paras 6-7) and teams (para 8). I attach comparative tables showing the texts of these articles which you have earlier approved and those now proposed by the Western delegations. You will see that in some respects the changes are actually an improvement. The following additional comments may be helpful.

Voting

2. There are two substantive changes:

(a) *Cease-fire*

It has already been agreed that the Commission's supervisory functions with regard to the cease-fire will be carried out with the concurrence of the Government of Laos, in full co-operation with the Government, and within the framework of arrangements made by the Government. The question is whether unanimity shall apply to decisions on questions relating to violations of the cease-fire arrangements or to decisions on questions relating to provisions of the cease-fire article. The first formula is slightly more restrictive and therefore preferable; however, the practical difference is so small that either appears acceptable. In any case, it is clear that in this field the Commission can act only as desired by the Laotian Government.

(b) *Investigations*

Pushkin has agreed to include, among the questions to be decided by majority vote, a specific reference to the initiation and carrying out of investigations. This is a definite improvement, since it strengthens the corresponding provision in the article on investigations.

In order to obviate any possibility that unanimity would apply to decisions by teams or committees, we think that it should be made clear that “conclusions and recommendations” are those of the Commission, and are suggesting ways in which this might be done.

Co-Chairmen

3. Here also, there are two substantive changes:

(a) *Conference Declaration*

In your telegram Y-629 of November 21,† you coupled acceptance by the Soviet delegation of an amendment to this article “requiring the Commission to report violations or threats of violations of specific sub-articles of the neutrality declaration” to your acceptance of the revised draft article on investigations. The proposal is to achieve this object by an insertion requiring the Commission to report “any important information which may assist them (the Co-Chairmen) in their functions” – functions which already include supervision over the observance of the neutrality declaration. While we would not agree with Harriman that this is better than a reference to specific sub-articles, it does appear to give the Commission the substance of what we want.

(b) *Laotian Declaration*

The Co-Chairmen would be required to supervise the observance of the 13-power declaration of respect for Laotian neutrality but not (at least by the agreement) the Laotian Government’s declaration of neutrality. Since the latter declaration will be embodied in the former, this appears to be a change without a real difference.

Teams

In your telegram Y-627 of November 18,† you said that if the phrase “the places to which the Commission and its teams shall go” or words of equal purport were not accepted by the Soviet delegation, you reserved the right to re-introduce the question of a separate article on freedom of access and movement. Pushkin has now proposed the words “the places where they go for investigation.” The purport appears to be the same, and the formula seems to us, as to the Western delegations, to meet our requirements.

5. I attach for your signature, if you agree, a telegram instructing Ronning to press for changes in the article on voting and authorizing him to accept the changes suggested in the articles on the role of the Co-Chairmen and on teams.²⁸

N.A. R[OBERTSON]

²⁸ Note marginale :/Marginal note:

Signed as amended by SSEA, & sent Y-644 13:30 27/11. R. C[ampbell]

[PIÈCE JOINTE 1/ENCLOSURE 1]

Tableaux
Tables

VOTING
(paragraph 2)

Approved Nov. 9

Decisions of the International Commission on questions relating to violations of articles (2(A) and (C)), article (2(D)), article (3) or of the cease-fire in Laos, shall be reached unanimously. On all other questions, including procedural questions, decisions shall be taken by majority vote.

Proposed Nov. 25

Decisions of the International Commission on questions relating to violations of articles (items 2(A), 2(C), 2(D), 3)

and provisions of of this agreement and
article (5(A)) of the cease-fire
this agreement arrangements
as well as referred to in article
(5(A)) and

all the conclusions and recommendations shall be adopted unanimously. On other questions, including procedural questions, and also questions relating to the initiation and carrying out of investigations (article ...), decisions of the International Commission shall be adopted by majority vote.

CEASE-FIRE IN LAOS (Art. (5(A))
(agreed)

The International Commission for Supervision and Control in Laos set up by virtue of the Geneva Agreements of 1954, and composed of the representatives of India, Canada and Poland, with the representative of India as chairman, shall, with the concurrence of the Government of Laos, supervise and control the cease-fire in Laos.

The Commission shall exercise these functions in full co-operation with the Government of Laos and within the framework of the cease-fire agreement or cease-fire arrangements made by the three political forces in Laos, or the Government of Laos. It is understood that responsibility for the execution of the cease-fire shall rest with the three parties concerned and with the Government of Laos after its formation.

ROLE OF CO-CHAIRMEN

Approved Oct. 30

The two Co-Chairmen shall periodically receive reports from the International Commission. In addition the Commission shall immediately inform the Co-Chairmen of any violations or threats of violations of this agreement, and also all important steps which it takes in pursuance of this agreement. The Commission may at any time seek help from the Co-Chairmen in the performance of its duties, and the Co-Chairmen may at any time make recommendations to the Commission exercising general guidance.

The Co-Chairmen shall circulate the reports and any other important information to the parties to this agreement.

The Co-Chairmen shall exercise supervision over the observance of this agreement and the declarations on the neutrality of Laos.

The Co-Chairmen will keep the parties to this agreement constantly informed and when appropriate will consult with them.

Proposed Nov. 25

The two Co-Chairmen shall periodically receive reports from the International Commission. In addition the Commission shall immediately report to the Co-Chairmen any important information which may assist them in their functions and shall immediately inform them of any violation or threats of violations of this agreement, and also ...

(balance agreed)

(agreed)

The Co-Chairmen shall exercise supervision over the observance of this agreement and the declaration on the neutrality of Laos.

(agreed)

INSPECTION TEAMSApproved Nov. 18

For the exercise of its functions the International Commission shall, as necessary, set up (appropriate) inspection teams, on which the three member states of the Commission shall be equally represented. Each member state of the Commission shall ensure the presence of its own representatives both on the Commission and on the inspection teams, and shall promptly replace them in the event of their being unable to perform their duties.

It is understood that the dispatch of inspection teams to carry out various specific tasks takes place with the concurrence of the Government of Laos. The places to which the Commission and its teams shall go and the length of their stay in those places shall be determined in relation to the requirements of the particular investigation.

Proposed Nov. 25

(para. 1 agreed)

(1st sentence agreed)

The length of stay of the Commission and its teams, and the places where they go for investigation, shall be determined ... (balance agreed)

CO-OPERATION BETWEEN I.C.S.C. AND GOVT.

(agreed – items 6, 7(A)(B)(C))

The International Commission shall exercise its functions under this agreement in close co-operation with the Government of Laos. It is understood that the Government of Laos at all levels will render the Commission all possible assistance in the performance by the Commission of these functions, and also will take all necessary measures to ensure the security of the Commission and its inspection teams during their activities in Laos.

[PIÈCE JOINTE 2/ENCLOSURE 2]

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-644

Ottawa, November 27, 1961

CONFIDENTIAL. EMERGENCY.

Reference: Your Tel 1924 Nov 25.

Repeat for Information: Washington, Permis New York, Candel New York, Paris, NATO Paris, London, DM/DND, CCOS, DGPO, CGS from Ottawa (OpImmediate).

By Bag: Saigon, Delhi, Vientiane, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

STATE OF NEGOTIATIONS

Voting. I am disturbed by possibility that “conclusions and recommendations” might be taken to apply to team and committee decisions under wording proposed by Western delegations. You should press for wording that would exclude this possibility. This might be done (a) by insertion of “conclusions and recommendations” at beginning of paragraph 2, which would then read “decisions, conclusions and recommendations of the International Commission on questions ...”; (b) insertion of words “of the Commission” after “conclusions and recommendations” leaving placing of these words unchanged; (c) by insertion of an additional sentence stating positively that conclusions and recommendations of subsidiary bodies will be taken by majority vote. Of alternative references to cease-fire arrangements I prefer that proposed in your paragraph 3 since it is more restrictive.²⁹ I welcome insertion in last sentence of reference to decisions on investigations.

2. *Co-Chairmen.* While I agree that revision proposed for second sentence (your paragraph 6) would ensure Commission’s right to report on violations of neutrality declaration. I want you to make clear again the importance I attach to inclusion of these words or others of equivalent effect. I would have no objection to change indicated in your paragraph 7 if other Western governments agree.

3. *Teams.* Alternative wording proposed by Pushkin for last sentence does not seem to me to change meaning of phrase and I am prepared to accept it.

[H.C.] GREEN

²⁹ Green a supprimé l'énoncé stipulant que le paragraphe 2 de Laosdel 1924 serait acceptable. Green deleted the statement that Paragraph 2 of Laosdel 1924 would be acceptable.

717.

DEA/50052-B-40

*Le chef de la délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 2033

Geneva, November 28, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: Washington, Paris, NATO Paris, London, Permis New York, Candel New York (Priority), DM/DND, DGPO, CCOS, CGS (Priority) from Ottawa.

By Bag: Delhi, Vientiane, Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

STATE OF NEGOTIATIONS

In the final round of negotiations in which we are now engaged, we are encountering heavy going. The Conference may have reached its most critical stage since it was opened more than six months ago. You will remember that at the end of the series of restricted sessions in which the less controversial issues were resolved, it was decided to attempt reaching agreement on the non-agreed issues in (a) negotiations between the two Co-Chairmen and (b) negotiations in a working group of the Six big powers. (See our telegram 1508 September 11).

2. Due to the disastrous failures in the meetings of the Six which resulted in setbacks rather than progress, constructive negotiations have been conducted exclusively between the Co-Chairmen in consultation with their respective friendly delegations. Harriman and Pushkin have also met occasionally to negotiate directly.

3. The meetings of the working group were characterized by clashes between Harriman and Chang Han-Fu and also between Harriman and Lall. The three most contentious problems (SEATO, French presence and integration of Laotian forces) have often raised tempers to the boiling point and the consequent angry outbursts ruled out intelligent negotiations. It was hoped that a direct consultation between USA and Chinese representatives would be helpful, and that frank discussions between them would clarify issues. The relations between Chang and Harriman have deteriorated to the degree that Chang, who was anxious earlier to have talks with Harriman, now refuses to meet Harriman at all. The last two meetings of the group which took place last week almost threatened the breakup of negotiations altogether.

4. Sometime ago Harriman had raised in these meetings the issue of demobilization and integration of all Laotian forces. He did this in spite of having previously agreed, with Washington's authorization, to abandon the relevant part of USA draft protocol. He infuriates the Communists by always referring to this problem as the issue of "private armies" and makes it clear that he means the forces of the Pathet Lao. Chang supported by Pushkin maintains that this a Laotian internal affair and therefore is not repeat not the concern of the Conference. At the same time they both assert that Laotian forces are, of course, to be integrated and they point to the Zurich communiqué on this. The Communists claimed that this problem could be settled by the Laotians and they could not repeat not understand why Harriman continued to insist on discussing this issue in every meeting of the Six. Harriman paid no repeat no attention to Communist charges of bad faith and began to speak even more heatedly about private armies. Chang then shouted that he would not repeat not attend any more meetings of the Six unless Harriman dropped the subject. In the last meeting of the Six, however, Harriman again raised the question of private armies whereupon Chang threatened to leave. Harriman then said "if Chang refuses to discuss this problem there will be no repeat no agreement."

5. In my opinion, the question of Laotian forces should be dealt with in the Laotian declaration and the question of a Commission function in this regard should be handled through (a) our current effort to obtain some sort of role for the Commission vis-à-vis the declarations, or if this effort fails, through (b) a provision in the agreement for the Commission to assist the government at the request of Souvanna Phouma (who reacted positively when Mayrand put this idea to him).

6. After the last meeting of the Six, mentioned above, Pushkin told MacDonald that the Western delegations would get no repeat nowhere by insisting upon discussing private armies in meetings of the Six and that shouting between Harriman and Chang would make more difficult, if not repeat not impossible, any agreement. Pushkin had agreed to call the last meetings of the Six only to pacify Chang who, in his frustration at being left out of active negotiations, had been trying to get a formal plenary session of the whole conference. MacDonald and also Harriman have no repeat no doubt that Pushkin is anxious to reach an agreement at the earliest possible date. It was significant that Pushkin, who had prepared compromise drafts on voting and inspection teams, (see my telegram 1924 November 25) did not repeat not submit these drafts in the meeting of the Six but waited until he had an opportunity to hand them to MacDonald privately. He explained that the atmosphere of the meeting was not repeat not conducive to logical and reasonable thinking.

7. On the question of SEATO, Pushkin and Chang continued in the last meeting of the Six to maintain that specific mention of SEATO must be made by the SEATO powers in their statement accepting Laotian wishes respecting military pacts. The Communists say they will not repeat not accept a general reference. Harriman insists that the Zurich statement by the Princes did not repeat not specifically mention SEATO and that therefore it need not repeat not be specifically mentioned in the proposed statement. Communists say that Harriman had previously said that there could be a specific mention of SEATO (MacDonald, Roux and Lall verify that Harriman did say this at a meeting of the Six but that he may have changed his mind when Washington disapproved.) Chang and Pushkin therefore accuse Harriman of bad faith. Denying this charge, Harriman taunted Chang about his professed fears of SEATO while at the same time denouncing it as a paper tiger. Chang in turn became furious and sensible negotiations came to a stop.

8. Harriman has also had serious clashes with Lall – most recently on the interpretation of reporting as outlined in the two relevant articles (role of Co-Chairmen and investigations). Harriman requested Lall to accept a written interpretation which stipulated that if one Commissioner refused to sign a report, it would be incumbent upon the other two to submit a report. In other words, no repeat no one Commissioner could stop the submission of a report. While Lall agreed that in this hypothetical case, two commissioners would of course give this information to the Co-Chairmen, they could not repeat not, in conformity with the relevant articles, submit a formal report. Harriman then accused Lall of bad faith, saying that not repeat not only he but also MacDonald and I had all assured him some time ago that his interpretation was correct. On the basis of that interpretation, Harriman said he had persuaded the President of USA to accept the articles relevant to reporting. Since Lall now refused to accept this interpretation, Harriman said he would have to inform the President of this changed position and the articles concerned could no repeat no longer be accepted and there would be no repeat no agreement.

9. Harriman seemed to attach sufficient importance to his interpretation to make it an issue upon which the Conference could be broken up. MacDonald and I therefore saw Lall immediately and persuaded him that, since there was no repeat no basic difference between him and Harriman in substance, he should meet Harriman's legal adviser, Czyzak, to work out a mutually acceptable interpretation. Lall, however, refused to agree to a formal written

interpretation but said that in the hypothetical case in question he could assure Harriman that not repeat not only would the two commissioners submit a report but if necessary the Indian Chairman would do so. It would not repeat not however be an "agreed report" as required in the relevant article.

10. I have given a fairly full and frank description of the state of play on the main outstanding issues and of the general atmosphere because I thought this may be helpful when you consider the final decisions on the items of particular interest to Canada. If in doing so, I have given prominence to Harriman's role and have perhaps also given the impression that he is the cause of many of our current difficulties, I hasten to say that in my opinion Harriman has made very important contributions to the work of the conference. He is often temperamentally difficult and is inclined to react emotionally whenever he feels that he is being frustrated or let down, either by his opponents or by his friends and the State Department. He has been under considerable strain because he has sometimes not repeat not only had to fight the Communists in front but also a rear guard action against his critics at home and in Laos.

11. USA started out with a protocol which in many respects went beyond the requirements considered by Canada to be essential and which the Communists could not repeat not possibly accept. Suddenly, in the negotiations, these demands were whittled down, including some of the features which we felt were desirable. Harriman did however attach importance to our opinions and the agreement which is emerging is fairly satisfactory in the light of the difficulties which have been faced. Such provisions as that prohibiting Laos from being used as a corridor for infiltration by another country, which we had not repeat not expected to get at the outset, have been secured. If USA accepts the agreement which is now possible, it will be largely due to Harriman's work. In a moment of frustration he told Lall that "there are only two men in Washington who really want a settlement creating a neutral Laos – the President and me." It would seem that even the President has to reflect on the criticism which almost any Laotian settlement is bound to create in certain circles in Congress and in the country.

12. It is my hope that within a few days we may obtain articles on voting, investigations and access that preserve our position. The other outstanding issues on SEATO, French presence, time limit for withdrawal of troops and private armies will be the special concern, as far as the West is concerned, of USA, UK and France.

[C.A.] RONNING

718.

DEA/50052-B-40

*Le chef de la délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Chairman, Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 2035

Geneva, December 1, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Washington, Paris, NATO Paris, London, Permis New York, Candel New York (OpImmediate), DM/DND, DGPO, CCOS, CGS (OpImmediate) from Ottawa.

By Bag: Delhi, Vientiane, Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra, Wellington, Moscow, Warsaw from London.

STATE OF NEGOTIATIONS

As a result of numerous meetings between MacDonald and Pushkin in the last few days, in consultation with their respective groups, agreement has been reached on formulae for the six articles dealt with below. The neutrals have also accepted these formulae which will be given formal tentative approval by the Conference at a restricted session scheduled for December 4.

(a) *Voting* – The article will now read as follows: Begins. The International Commission for Supervision and Control in Laos functions as a single organ of the International Conference for the settlement of the Laotian question. The members of the Commission will work harmoniously and in cooperation with each other with the aim of solving all questions within the terms of reference of the Commission.

Decisions of the International Commission on questions relating to violations of articles (items 2(a), 2(c), 2(d), 3) of this agreement or of the ceasefire referred to in Article (5(a)), conclusions on major questions sent to the Co-Chairmen and all recommendations by the Commission shall be adopted unanimously. On other questions, including procedural questions, and also questions relating to the initiation and carrying out of investigations (article ...), decisions of the International Commission shall be adopted by majority vote. Ends. The phrase “On major questions sent to the Co-Chairmen,” following the word “conclusions” in paragraph 2 was suggested by us some time ago to modify both “conclusions and recommendations” and we had hoped to obtain this qualification of these last words in order to avoid any suggestion that unanimity might apply to “conclusions and recommendations” of the Commission’s subsidiary bodies. However Pushkin would accept this qualification only in connection with “conclusions” and MacDonald has, therefore, at our request, obtained his agreement to insert the phrase “by the Commission” after “recommendations.” The clause “and also questions relating to the initiation and carrying out of investigations” has been reinserted at our insistence.

(b) *Investigations*: The article on this item will read as follows: Begins. In the exercise of its specific functions which are laid down in the relevant articles of this agreement the International Commission shall conduct investigations (directly or by sending inspection teams), when there are reasonable grounds for considering that a violation has occurred. These investigations shall be carried out at the request of the government of Laos or on the initiative of the International Commission, which is acting with the concurrence of the Government of Laos.

In the latter case decisions on initiating and carrying out such investigations shall be taken in the Commission by majority vote.

The International Commission shall submit agreed reports on investigations in which differences which may emerge between members of the Commission on particular questions may be expressed.

The conclusions and recommendations of the Commissions resulting from investigations shall be adopted unanimously. Ends.

(c) *Role of Co-Chairmen*: Following is the agreed text: Begins. The two Co-Chairmen shall periodically receive reports from the International Commission. In addition the Commission shall immediately report to the Co-Chairmen any violations or threats of violations of this agreement, all significant steps which it takes in pursuance of this agreement, and also any other important information which may assist the Co-Chairmen in carrying out their functions. The Commission may at any time seek help from the Co-Chairmen in the performance of its duties, and the Co-Chairmen may at any time make recommendations to the Commission exercising general guidance.

The Co-Chairmen shall circulate the reports and any other important information from the Commission to the parties to this agreement.

The Co-Chairmen shall exercise supervision over the observance of this agreement and the declaration[s] on the neutrality of Laos.

The Co-Chairmen will keep the parties to this agreement constantly informed and when appropriate will consult with them. Ends.

In the second sentence, there has been a re-arrangement of the order in which the Commission's functions are listed and the word "report" replaces the former word "inform." The Western Four consider that this new wording is just as satisfactory as the previous one in giving the Commission a function vis-à-vis the neutrality declaration. The letter "s" at the end of the word "declaration(s)" in the penultimate sentence of the article is enclosed in square brackets since the matter has not repeat not yet been decided as to whether or not repeat not this sentence will refer to both declarations or only the declaration of the Thirteen, which will include the declaration the Laotian Government. We are not repeat not as confident as our British and American colleagues (who attach much more importance to the efficiency of this article than we do) are about the legal interpretation of this article which would ensure that the Commission will have a clear-cut function vis-à-vis the declarations on neutrality on the other hand, it was evident that nothing better could be obtained.

(d) *Inspection Teams.* The agreed article will read as follows: Begins. For the exercise of its functions the International Commission shall, as necessary, set up inspection teams, on which the three member-states of the Commission shall be equally represented. Each member-state of the Commission shall ensure the presence of its own representatives both on the Commission and on the inspection teams, and shall promptly replace them in the event of their being unable to perform their duties.

It is understood that the dispatch of inspection teams to carry out various specific tasks takes place with the concurrence of the government of Laos. The points to which the Commission and its teams go for the purposes of investigation and their length of stay at those points shall be determined in relation to the requirements of the particular investigation. Ends. We were able to obtain a change in the last sentence to make it more logical by designating places before length of stay. The word "points" now replaces the word "places." While this change is more specific geographically, Western Four did not repeat not think it would in any way affect the Commission's freedom of movement.

(e) Commission functions re arms imports and "corridor." The formulae for these articles (see our telegram 1921 November 24)† which will be considered in the restricted session, have not repeat not been altered.

2. The only outstanding items still to be negotiated are: (a) time limits for withdrawal of foreign military personnel; (b) private armies; (c) SEATO; and (d) French presence. We shall report developments as they occur.

[C.A.] RONNING

719.

DEA/50052-B-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation à la Conférence sur le Laos à Genève*
*Secretary of State for External Affairs
to Chairman, Delegation to Conference on Laos, Geneva*

TELEGRAM Y-650

Ottawa, December 2, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 2035 Dec 1.

Repeat for Information: Washington, Paris, NATO Paris, London, Permis New York,
Candel New York, DM/DND, CCOS, CGS, DGPO from Ottawa (OpImmediate).

By Bag: Delhi, Vientiane, Saigon, Phnom Penh, Jakarta, Tokyo, Kuala Lumpur, Canberra,
Wellington, Moscow, Warsaw from London.

STATE OF NEGOTIATIONS

The texts of the six articles as given in your reference telegram are acceptable to us. I congratulate you on the extent to which you have secured revisions of these articles to safeguard principles which we regard as important.

[H.C.] GREEN

2^e PARTIE/PART 2

VIETNAM

720.

DEA/50052-A-40

*Le sous-secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*

*Under-Secretary of State for External Affairs
to Commissioner, International Commission for Supervision
and Control for Vietnam*

PERSONAL AND SECRET

Ottawa, February 2, 1961

Dear Mr. Woodsworth,

Because the work of the Vietnam Commission has recently assumed added importance, not only for Vietnam but for Laos too, and because of the many difficulties and frustrations with which you have been beset, I thought it might be useful if I passed on to you in this informal way some of the impressions and questions I have had.

The role of Canadian commissioners has never been an easy one, accused at once of both partiality and impartiality, attempting to offset the consistent manoeuvring of the Polish representatives without straying too far from the judicial path. In this delicate situation much must depend on the attitude of the Indian chairman, and I gather from your reports that Menon is neither as neutral nor as cooperative as his predecessor. This, combined with the blatant tactics of the Polish Commissioner, has made your task difficult.

We note from paragraphs 2 and 3 of your telegram 26 of January 26† that the Indian Chairman is still unwilling to support action to control Gia Lam airport and appears to be

persuaded that we are concerned only with the shortcomings of the North and are prepared to overlook or to defend similar misdeeds by the South. If occasion should offer, it would be of interest to ask Menon to give specific examples of instances in which we have defended alleged breaches of the agreement by the South without reasonable grounds for so doing.

We gather from the tone of this and other messages that your relations with your Indian colleagues may be under considerable strain as a result of your efforts to secure control of the Hanoi airport. As you will know from our several messages on the Soviet airlift, we are anxious to press this matter as far as possible. Nevertheless, we must bear in mind that the Soviet airlift is only one in a long series of problems dealt with by the Commission, and that there are likely to be others in the future for which we will require Indian support if the Commission is to function effectively. We would not, therefore, wish you to press the Gia Lam control to the point where your relations with Mr. Menon are seriously threatened or where Canada runs the risk of being permanently isolated. We must rely on your judgment as to how far you can go in continuing to strive for our objective without risking a serious break with the Indians.

You will have seen from our telegram Y-24 of January 19 to Delhi† that we thought it best not to criticize the Chairman, an approach which might well have only antagonized Indian officials, but rather to find out if the Indian Government knew what had been happening in Saigon, and whether they were prepared to re-assess the problems facing the Commission. We hope to hear that this has had some effect.

Relations with the United States and the United Kingdom are important too, particularly when Indochina is so much under public and official view and when the success or failure of the Vietnam Commission may be quoted as an argument for or against re-activating the Laos Commission. One aspect of these relations is the requests made to us by the State Department to press forward in the Commission on measures to stop illegal imports into and through Vietnam. Another is the practice of exchanging information with US and UK missions in Saigon.

It is a practice that has been followed for a good many years and is an important part of our role in Indochina. It is, of course, important that in discussions with representatives of other governments, members of the Canadian delegation should reflect Canadian policy. We were surprised to learn from a report originating in London that a senior member of the Canadian delegation was said to have described the Commission meeting of January 10 as "thoroughly unsatisfactory" and had gone on to comment unfavourably about the usefulness of the Laos Commission if it were to operate in a similar way. I am sure you will agree that comments of this sort, tossed off in the stress of the moment, are untimely, and may be dangerous since they are frequently reported and play a part in moulding the views of senior officials of other governments. While it may be natural to give expression to personal feelings at times of stress, this tendency should be avoided since such expressions can be distorted and may, when reported, prove detrimental to Canadian interests. I am sure I can count on you to caution all members of the Canadian delegation about the continuing need for discretion and responsibility in any conversations they may have with foreign representatives.

Finally, I am asking that you report as fully and frequently as your busy days allow. Once or twice we have learned from other capitals of developments in the Commission before your own reports arrived. I mention this not only because of our interest in keeping closely in touch, but because we might, in the light of reports, be able at times to make suggestions.

With kind regards,

Yours sincerely,

N.A. ROBERTSON

721.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au sous-secrétaire d'État aux Affaires extérieures*
*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Under-Secretary of State for External Affairs*

LETTER NO. 29
CONFIDENTIAL

Saigon, February 2, 1961

NOTES CONCERNING MR. GOPALA MENON, I.C. CHAIRMAN

In recent weeks, as our wired reports to you have made clear, the International Commission in Vietnam has almost ceased to function as an effective body. The difficulties the Canadian Delegation has been experiencing in securing effective action on a number of important issues culminated last week when Mr. Wisniewski, on a plea of illness, managed to secure yet another postponement of a Commission meeting scheduled to discuss emergency control of the Russian airlift at Gia Lam airport and the setting up of a Mobile Team to investigate the Kontum attack of last October. (See our Tel. No. 27 of Jan. 27/61).†

2. While many of the less important team controls in North and South Vietnam are still being carried out, those which we regard as essential have been largely discontinued on one excuse or another, e.g., breakdown of transport, unavailability of Liaison Officers, security reasons, etc. (See attached letter, less appendices, to DGPO Army, Brig. R. Bishop, from Brig. Allan).†

3. Administratively, Commission business has been hampered by an increasing degree of over-centralization, with more and more of even the routine operations being channelled for decision through the hands of the Indian Chairman, Mr. Menon, who is at the same time the Secretary-General of the Commission. This failure to delegate authority has resulted in mounting confusion and delay. In addition to numerous postponements of meetings, our Delegation has not been able to arrange for a sufficient number of meetings to handle what we regard as urgent items.

4. The most important factor in this situation, in our view, is the personality and attitude of Mr. Menon. For obvious reasons, I have refrained so far from commenting on this matter. But five months of association with Mr. Menon have confirmed what we began to suspect not long after his arrival – that he is not a man of any great strength of character or conviction and is also a poor administrator. In contrast to Dr. Ansari, indeed, he has shown up very badly.

5. Mr. Menon's primary aim seems to be to achieve some kind of compromise or agreement among the three Delegations on all issues, regardless of the nature of these issues. This hope was pointedly expressed in his opening address at his first meeting as Chairman. His subsequent efforts to achieve unanimity at all costs have resulted – as might be expected – in the bogging down of practically all Commission business, and in the creation of an atmosphere of irritation, suspicion and frustration.

6. Apart from Mr. Menon's lack of backbone, we have found it almost impossible to negotiate with him on any straightforward basis. Time and again in private talks, we have agreed on certain courses of action only to find Mr. Menon reversing his stand at Commission meetings. At these meetings it has become lamentably clear that Mr. Menon will adopt almost any tactic rather than displease the Poles and with them the Government of North Vietnam. At

our most recent meeting on February 1, however, Mr. Menon finally proposed, over the Poles' bitter objections, to forward a letter to the North for comment on the Kontum incident.³⁰ In this instance he had no option; he informed me privately that he was acting on instructions from his Government. (It may be noted that Mr. Menon's proposal fell far short of our own, which has been to make an immediate investigation of the attack.)

7. We are still not entirely sure whether in stalling on the Russian airlift and previously on Kontum, Mr. Menon has been acting on his own or on instructions from New Delhi. Certain things are sure however: (a) that Mr. Menon locally is receiving advice from a source which is indisputably hostile to our point of view – his ex-Senior Political Adviser and now Chief Administrative Officer, Brij Kumar; (b) that there are close personal friendly relations between several senior members of the Indian Delegation and members of the Polish Delegation; (c) that Mr. Menon himself, while asserting the need for objectivity, shares a view of Communism common to many Indians, namely, that it represents a revolt against Imperialism and is therefore deserving of more or less active sympathy.

8. In amplification of these last points it may be noted that our Delegation has long regarded Brij Kumar as the most influential of the Indian team and at the same time its most anti-Western – not to say pro-Communist – representative. He and his wife spend long hours in drinking and card playing with the Poles, in particular with H. Wolf, who we understand from Intelligence sources is the No. 1 Party man of the Polish Delegation. Next to Brij Kumar, and nominally the Indian Delegation's Senior Political Adviser, is M.D. Shahane, a man of liberal outlook and reasonable nature but at the same time deeply suspicious of Western motives and very much under the influence – as are all members of the Indian Delegation – of Brij Kumar.

9. Mr. Menon's sympathy with the struggle of the Vietnamese Communists to rid themselves of French colonialism and the continuing efforts of the Northern régime to free Vietnam of "American Imperialism" makes him susceptible, in our view, to suggestions that the Americans are evading in clandestine and wholesale fashion the terms of the Geneva Agreements regarding importations of arms. He does not hide his belief that because of this the Commission should seek to attempt some kind of "balance" between North and South and not seek to press too hard allegations that the North is indulging in the same sort of thing. This attitude, of course, overlooks the fact that the Commission's control system in the South is a far more effective one than in the North (for instance, Saigon Fixed Team Controls the airport here but there are no controls at Hanoi's airports). It overlooks also that over the years there has been continuous notification of arms imports into the South whereas not a single item of war equipment has ever been reported as entering the North. It disregards also evidence which goes to show that far from attempting to evade the control system the Americans have been most scrupulous in their efforts to comply with Commission requirements.

10. Personal relations with Mr. Menon and other members of the Indian Delegation remain cordial and we are not overly-concerned with the situation. It seemed to me, however, that these observations concerning the Chairman might help to explain the protracted delays in recent months in obtaining action on items we regard as urgent. Moreover the time may come when we may need assistance from New Delhi to induce Mr. Menon to take action on some particularly important item.

CHARLES J. WOODSWORTH

³⁰ Voir/See Jacques Nevard, "Aggression Laid to Vietnam Reds," *New York Times*, November 9, 1960, p. 37.

722.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au haut-commissaire en Inde
et au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*

*Secretary of State for External Affairs
to High Commissioner in India
and Commissioner, International Commission for Supervision
and Control for Vietnam*

TELEGRAM Y-44

Ottawa, February 13, 1961

SECRET. OPIMMEDIATE.

Reference: Delhi Tel 95 Feb 8† and Saigon Tel 45 Feb 10.†

Repeat for Information: London, Washington, DND/DGOP

VIETNAM COMMISSION

We have noted with interest Gundevia's comment that action by both sides in continuously blocking investigation of charges of breaches of the agreement and refusing to permit carrying out of controls had rendered Vietnam Commission ineffective to a degree that would soon have to be reported to Co-Chairmen. By coincidence, report of your conversation with Gundevia reached us about same time as Woodsworth's letter No. 29 February 2 of which a copy has been referred to you. Paragraphs one and two of that letter make it clear that Woodsworth concurs with conclusion that Commission is bogged down, though his reasons differ from those given to you by Commonwealth Secretary.

2. As stated in recent messages, we are concerned about failure of Commission to carry out its responsibilities in Vietnam at a time when developments in Laos have increased tension throughout Indochina and have focussed world attention on the area.

3. In the circumstances, we have been wondering whether a report to Co-Chairmen setting out present stalemate in Commission and reasons for it would serve a useful purpose at this time. Such a report would probably have to cover Southern complaints about Kontum incidents and Soviet airlift through Hanoi, as well as PAVN allegations about United States intervention and aid by South to Phoumi's forces in Laos. We think report might also mention North's refusal to allow team at Vinh to carry out controls formerly done by team at Muong Sen (paragraph 4 of Brigadier Allan's letter to Bishop enclosed with Saigon's letter No. 29). Doubtless our delegation in Saigon can supply further instances where normal investigations have been frustrated by one of the parties.

4. Our thought is that a letter to Co-Chairmen at this stage (i.e. before 11th Interim Report, for which cut-off date is February 28) might enable Commission to take a broader look at its duties and responsibilities, and to concentrate less on procedural manoeuvres relating to current problems before it. Moreover, forcing issue in Commission might compel Chairman to take sides on certain issues and might to some extent clear the air. It may be of course that Indians would not agree to a special report or that if they did it would be impossible to agree with them on a suitable text. Possibility of our having to take a minority position is therefore one factor to be taken into account. The suggestion that such a minority report should deal only with the subversion issue would also have to be considered (Saigon reference telegram). Although prospects of enlisting Indian support for any document we would consider acceptable appear doubtful, we wonder whether our long term interests might not better be

served by clarifying the position at this stage than by allowing present unsatisfactory stalemate to continue indefinitely.

5. For Delhi, Saigon: In light of Indian views about stalemate in Commission as expressed by Gundevia, we would like to have your own opinion on whether a move to formulate a report to Co-Chairmen along lines indicated above would be timely and useful.

723.

DEA/50052-A-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-59

Ottawa, February 28, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel 124 of Feb. 16† and Saigon Tel 56 of Feb. 23† and 59 of Feb. 25.†
Repeat for Information: Saigon, London, Washington (Priority), DGPO, DND, DMOP,
DND from Ottawa.

VIETNAM COMMISSION: MINORITY STATEMENT AND SUBVERSION

We have refrained from commenting on the suggestion that you might have a further discussion with Gundevia in general terms about a special report to the co-chairman partly because we wished to have Woodsworth's views, and also because of your point that a special report at this time might cut across efforts to get the Commission on record as to its competence and duty to investigate complaints about supervision. We note from Saigon's telegram 56 of February 23 that Woodsworth considers the chances of getting Indians to go along with a special report are slight, and that a more active policy in the Commission is likely to be more productive. For the time being, therefore, we are prepared to drop the idea of a special report.

2. We have also considered carefully the arguments for and against a minority statement on subversion. We have concluded that the essential point is to get the Commission on record as having the competence and duty to entertain and investigate complaints concerning acts detrimental to peace and security in Vietnam which might be fomented by one party against the other. We note that on February 10 the Indian Chairman took the position that the Poles should be given until March 3 to appoint a representative to the legal committee and declined to support Canadian move to have subversion cases returned to Commission for immediate consideration. This stand has prevented any action on the subversion issue during the Eleventh Interim Report period.

3. In the circumstances, I should be glad if you would take an early opportunity to remind the Indians of the statement agreed last summer³¹ and of Woodsworth's understanding with Ansari that the statement would be adopted by majority decision if Poles refused to discuss subversion cases within a reasonable period. You should impress on the Indians the importance we attach to having the statement accepted by the Commission at the earliest possible date. In our view, the inability of the Commission to come to grips with the subversion problem constitutes a serious failure to live up to its responsibilities since the competence of Commission under Articles 10, 19 and 24 read with Article 27 is legally incontestable. Moreover some evidence that the Commission is prepared to take a stand on this issue could bring about a more

³¹ Voir/See Volume 27, document 563.

forthcoming and cooperative attitude on the part of the South. You should endeavour to obtain assurances that Poles will not be allowed to delay matters further and that appropriate instructions have been sent to Menon.

724.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 87

Saigon, April 7, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Delhi Tel 263 Apr 5.†

Repeat for Information: London, Washington from Ottawa, CCOS, CGS/DND, Delhi.

CANADIAN ATTITUDE VIETNAM COMMISSION

1. Since accusations of Canadian lack of impartiality have been made on several occasions lately, we think it might be useful to discuss this question at length.

2. It is true we nearly always support South in Commission but Poles always repeat always support North and their record is far more consistent than ours. We do not repeat not know of a single case where Poles have agreed to cite North whereas there are many occasions where we have agreed to citing South, i.e. for refusing the provide information requested, where war material has been imported without notification, etc. Moreover Canadian team officers are honest in reporting what they see during team controls whereas Polish team officers are apparently under instructions to lie about anything they see that might embarrass North. There are many team reports that contain Canadian-Indian majority statements on something team has seen with Polish minority statement that Polish officer has not repeat not seen things reported.

3. We have always refused to present the South's case or to support it where we have felt it to be completely without merit in most cases however balance may not repeat not be clear cut one way on the other and if we do not repeat not present case for the South who is to do so? With Poles always supporting North and Indians always sitting on the fence, South would be in position of a man forced to appear in court without benefit of legal counsel. Record will show that we have not repeat not been unduly obstinate in preventing (violations?) for South. What Indians appear to object to is vigor with which we have on occasions pressed cases against North.

4. There are certain positive advantages to our identification with Southern interests. As it is, South have often complained bitterly that Commission contains two neutrals. South has not repeat not signed agreements and has not repeat not always been convinced of Commission's usefulness. Our failure to support them on important issues might make them even more uncertain. By using our credit with team we can often persuade them to adhere to agreements or to cooperate with Commission where they might be inclined not repeat not to.

5. Finally it would be naïve in the extreme to suppose that in matters affecting balance of power in this peninsula we would do anything in the Commission to weaken South's position or that the Poles would do anything to weaken North's. In less vital issues also we are sometimes forced to take South's defence. In cases arising out of Article 14(c) for example do

Indians really expect our support in helping North to use Commission for propaganda sounding board when Commission has consistently refused to consider South's charges of subversion which are South's defence in most of these cases.

6. Basic disagreement between Canadian and Indian delegates appears to be that we feel Commission must deal with its responsibilities if it is to be effective and to retain respect of parties whereas Indians appear to believe Commission can be effective only so long as it does nothing.

7. It seems clear Indians would like to close their eyes to what is happening here. Struggle for possession of South Vietnam is becoming more intense and in the process lines are becoming more clearly drawn. Whatever advantages of neutrality for Laos may be, neutrality is clearly not repeat possibility for South Vietnam. In their decisions here Indians are being forced to come down on one side or the other and it is their obvious distress at their exposed position that they are revealing in complaints about our lack of objectivity.

725.

DEA/50052-A-6-40

*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, April 29, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: Saigon (Priority), London, Washington from Ottawa.

VIETNAM SUBVERSION

After first meeting of Laos Commission I reminded Commonwealth Secretary Gundevia of his prediction that Vietnam Commission could now deal effectively with such problems as subversion. He asked "Why do you bring this matter up again now?" I replied it was important before Geneva Conference started to regain some of the confidence which had been lost in the present type of Commission by many failures during past months to take specific action in Vietnam. Gundevia insisted USSR would lose whatever confidence would be gained by the USA. He did not repeat not agree that we actually had any agreement about a subversion statement. I referred him to Foreign Secretary M.J. Desai with whom he said he had not repeat not discussed matter but would now do so. When I said we did not repeat not like to make minority statement Gundevia commented "If Canada did not repeat not make statement the Poles would and result would in any case be criticism of Indian Chairman." I asked if I should report this as his final conclusion. He promised further consideration.

2. During initial negotiations on subversion with Gundevia I accepted his procrastination thinking he needed time to become familiar with subject new to him. Now I have reluctantly concluded that he never had any intention of keeping any of his series of promises (over many cups of tea) made to avoid a definite reply. Krishna Menon, who was also present at first Commission meeting has probably turned thumbs down on a joint Indian-Canadian subversion statement.

3. I am not repeat not in position to advise whether or not repeat not concrete results from a minority statement would repay us at this time for whatever effect our action may have upon Indian-Canadian co-operation in Laos Commission.

[C.A.] RONNING

726.

DEA/50052-A-13-40

*Le secrétaire d'État aux Affaires extérieures
à la délégation à la Conférence sur le Laos à Genève*

*Secretary of State for External Affairs
to Delegation to Conference on Laos, Geneva*

TELEGRAM Y-277

Ottawa, May 17, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Washington Tel 1560 of May 15.†

Repeat for Information: London, Washington, Paris, NATO Paris, Permis New York, Delhi, Saigon, Phnom Penh, Vientiane (OpImmediate).

By Bag: Canberra, Wellington, Moscow, Warsaw, Tokyo, Djakarta, Kuala Lumpur from London.

USA ASSISTANCE TO VIETNAM

For Canada the immediate problem arising from the USA plan to increase size and effectiveness of South Vietnamese forces and to strengthen assistance in social and economic fields will rise in connection with the decision to increase the number of MAAG personnel by 100 (paragraphs 6 and 7 of reference telegram).

2. U.S. MAAG was established in South Vietnam under a penta-lateral agreement of 1950 between USA, France and Indo-China states. At time of cease fire in 1954, there were 342 MAAG military instructors in South Vietnam along with 546 French military instructors making a total of 888. By 1956, all French instructors had been withdrawn along with French union forces thus seriously reducing training facilities available to South Vietnamese army. It is thus possible to argue that in keeping with spirit of Geneva settlement, South should be allowed to increase number of instructors to level existing at time of 1954 cease fire.

3. In 1958 and 1959 USA authorities approached us about an increase in MAAG personnel basing their case on improved fighting ability of North Vietnam since cease fire, deterioration of internal security in South and need for specialized training for South Vietnamese army to combat guerrilla tactics of subversive elements. At that time we pointed to certain legal difficulties arising from interpretation of Article 16 of the Cease Fire Agreement for Vietnam and indicated that in view of troubles in Laos, question of timing should be carefully examined to avoid heightening of tension and other complications such as request by North Vietnam that Commission withdraw.

4. Early in 1960, after consulting Canada, UK and India, Americans went ahead with their plan to increase MAAG personnel to a total of 685.

5. Commission was informed of decision by Foreign Minister of South Vietnam who argued that (a) increase was not contrary to spirit of Geneva agreement, (b) total of 685 USA instructors was well below total of 888 (USA and French) in South at time of cease fire, and (c) principle of replacement for military equipment authorized under Article 17 should logically be applied also to Article 16 dealing with military personnel. By Indian-Canadian majority, Commission decided to "note" that U.S. MAAG instructors were to be raised to 685 and to record its understanding "that additional U.S. military instructors would not be introduced except in conformity with procedures stipulated in Article 16(f) and (g) of Geneva Agreement." This decision which avoided any ceiling on military instructors led to vigorous protests by North including formal notes to Commission and to Co-Chairmen which were rejected on grounds that Commission had acted within its competence and that there was no appeal from its decision.

6. We are disturbed by McConaughy's statement that in view of persistent contraventions by North, USA no longer feels bound to adhere literally to terms of Vietnam agreement. This attitude will not repeat not make it easier to narrow Delhi-Washington gap as set out in Washington telegram 1502 May 10† along lines suggested in paragraph 5 of our telegram Y-274 May 16.† We agree with Americans that situation in South Vietnam is serious and that steps should be taken to check subversion and increase popular support for the régime. We recognize, of course, that because of its stand in 1954, U.S.A. is not bound by the Geneva Agreement. Nevertheless we find it difficult to understand how McConaughy can reconcile observance and respect for the agreement with his view that literal adherence of its terms is no longer justified. Canada, as a member of the Commission, is in a different position and must insist on respect and observance of the Agreement.

7. In view of recent steps towards stabilizing situation in Laos and commencement of Geneva Conference, which we hope will contribute to restoring situation in Indo-China on basis of Geneva principles, timing of new move is most unfortunate. As Indians have made clear in recent weeks over questions of Gia Lam Airport control and subversion, they are not disposed to cooperate in measures which might compromise their neutral position while the situation in South East Asia is in its present unsettled state.

8. While strong legal arguments can be used in Commission to justify further expansion of MAAG by 100, we would regard it as important to success of operation that (a) it be deferred until after conclusion of Geneva Conference, and (b) Indians be fully consulted in advance. Without their cooperation in Commission, it is by no means certain that present Chairman would adhere to precedent established just over a year ago. In circumstances you may think it useful to speak to Mr. Rusk along above lines. In doing so you may wish to draw on paragraphs 1 and 2 of Woodsworth's telegram 113 of May 12.†

For Washington

9. We agree with your statements to Anderson and McConaughy about our responsibilities on Vietnam Commission and importance of explaining USA position to Indians. Subject to Minister's concurrence, we should be glad if you would take an early opportunity to speak to State Department along lines of paragraphs 6, 7 and 8 above.

[N.A.] ROBERTSON

727.

DEA/50052-A-40

Note de la Direction de l'Extrême-Orient

Memorandum by Far Eastern Division

SECRET

[Ottawa], May 19, 1961

VIETNAM

I understand that President Kennedy expressed to Mr. Diefenbaker the hope that the Vietnam Commission could be made more effective as a means of controlling guerrilla infiltration into the South. He invited Canadian comments as to how the procedures of the Commission could be improved, and said that after receiving our comments he would propose to communicate United States views to Mr. Nehru with a view to enlisting India's cooperation.

2. Mr. Diefenbaker agreed to provide Canadian comments or suggestions.

J.M. TEAKLES

728.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 120

Saigon, May 20, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Washington Tel 1560 May 15.†

Repeat for Information: Washington, London, Laosdel Geneva, DM/DND, CGS
(OpImmediate) from Ottawa, Delhi.

PROPOSED MAAG INCREASE

Stewart of UK Embassy advised us on May 18 that UK had been notified of probable increase to MAAG. In response to his exploratory queries we took stand we could not repeat not support any further MAAG increase (unless of course we were so instructed by you) that Indians in our view would simply refuse to support such a proposal. We suggested that USA explore every possible avenue of accomplishing objective without increasing MAAG's military strength beyond its present ceiling. Our latest figures indicate MAAG cannot take in an additional one hundred military without exceeding authorized ceiling. We suggested that any contemplated increase be civilian and allocated to any USA agency other than MAAG. Alternatively MAAG might be stripped of required number of nonessential personnel to allow for proposed intake.

2. Re Paragraph 7 your reference telegram we disagree strongly with State Department's attempt to justify non adherence to Cease Fire Agreement. Alleged Communist contraventions cannot be proven by Commission under present procedures and operating methods. If USA proceeds on this basis we and West are in for a stormy future here.

729.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 123

Saigon, May 25, 1961

SECRET. OPIMMEDIATE.

Delhi: OPIMMEDIATE from Ottawa.

Reference: Your Tel 120 May 20.

Repeat for Information: DM/DND, CCOS, CGS, Washington, London, Laosdel Geneva (OpImmediate) from Ottawa.

PROPOSED MAAG INCREASE

During his formal call on me May 24 newly arrived USA Ambassador Frederick Nolting Jr indicated he wants soon to discuss with Candel strengthening of MAAG and South Vietnam's military position generally in line with Lyndon Johnson proposals.³² If you have no repeat no objections we would like to present Canadian view as outlined in reference telegram.

[C. J.] WOODSWORTH

730.

DEA/50052-A-13-40

*Note de l'adjoint spécial, Bureau du secrétaire d'État aux Affaires extérieures,
pour la Direction de l'Extrême-Orient*

*Memorandum from Special Assistant, Office of Secretary of State for External Affairs,
to Far Eastern Division*

SECRET. CANADIAN EYES ONLY.

[Ottawa], May 27, 1961

Reference: External telegram Y-277 of May 17, 1961, addressed to Laosdel Geneva.

UNITED STATES ASSISTANCE TO VIETNAM

The Minister today reviewed the proposed Canadian line to be taken in Geneva, Saigon and Washington on the above-mentioned matter and decided that it would be inappropriate for Canada to attempt to influence the Americans at this stage. While he agreed that the proposed increase in United States MAAG by 100 personnel might seriously complicate the task of the ICSC in Vietnam and have an unfavourable impact on the 14-Nation Conference, he believed that, particularly after President Kennedy had spoken frankly to the Prime Minister about United States intentions, any Canadian resistance to the proposals would be misunderstood and undermine United States confidence in the Canadian role on the International Commissions.

³² Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. I (Washington: United States Government Printing Bureau, 1988), document 60.

2. He asked that a follow-up telegram be sent requesting the addressees not to act upon those suggestions in the telegram under reference.³³

ROSS CAMPBELL

731.

DEA/50052-A-13-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Commission for Supervision
and Control for Vietnam*

TELEGRAM Y-305

Ottawa, May 26, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tels 120 and 123 of May 20 and May 25.

Repeat for Information: Delhi, Washington, London, Laosdel Geneva (Priority), DM/DND, CCOS, CGS.

PROPOSED MAAG INCREASE

Grateful if you would put off discussion with Nolting until our examination of problem has been completed here. Hope to let you have further views early next week. In the meantime, we would be grateful to receive clarification from you of the references to authorized ceiling referred to in paragraph 1 of your telegram 120. When you refer to authorized ceiling, do you mean the figure of 888 which is the total for which the Indians produced a legal argument at the 572nd meeting of the Commission on April 13, 1960? If this is the figure you have in mind, we presume that the number of American military personnel in Vietnam is now more than a hundred in excess of the figure of 685 which was put forward as a target by the South Vietnamese in February 1960. You will recall that the Commission's letter to the South Vietnam noting their intentions made no reference to an authorized ceiling and referred simply to the requirement to carry out the necessary notification procedures under Article 16(f) and (g). Although the South Vietnamese were never, therefore, informed of an "authorized" ceiling, it is our view that the Commission would have no grounds for complaint if, without further communication to the Commission regarding total numbers, the strength of MAAG were increased to 888 provided of course the notification procedures under 16(f) and (g) continue to be carried out. Grateful if you would let us have the exact "latest figures" to which you refer and your comments on our interpretation of the situation in regard to a MAAG increase from 685 to 888.

³³ Note marginale :/Marginal note:

Washington told previously by phone. Saigon sent tel. Y-305. [Auteur inconnu/Author unknown]

732.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 127

Saigon, May 30, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: Delhi, Vientiane (OpImmediate), Laosdel Geneva, London, Paris, Washington from Ottawa, Moscow from London.

You will be pleased to know that Gopala Menon called on me today to suggest that Candel [ask] for a meeting at latest next week to discuss policy declaration on subversion. He presented us with following draft which he said Gundevia has authorized him to support. Text Begins

(1) The International Commission has been receiving an increasing number of complaints concerning acts alleged to be abetted by one party against the other, which may be detrimental to the peace and security of Vietnam.

(2) The International Commission would remind both parties in Vietnam that it has the competence and duty to deal as appropriate with such complaints, in order to ascertain whether or not repeat not the alleged acts have been fomented by either party against the other in violation of the Geneva Agreement. End Text.

2. With above text and that of draft agreed on by Desai, Ronning, Ansari and myself and approved by you (reference paragraph one our telegram 190 September 1/60)³⁴ we suggested following redraft. Text Begins

(1) The International Commission has been receiving an increasing number of complaints concerning acts alleged to be abetted by one party against the other which may be detrimental to peace and security of Vietnam.

(2) The International Commission would remind both parties that it has the competence and duty to entertain and investigate such complaints under Articles 10, 19 and 24 read with Article 27 of Geneva Agreement depending on the facts of each case in order to ascertain whether or not repeat not the alleged acts have been fomented by either party against the other in violation of the Geneva Agreement. End Text.

3. Menon is asking Delhi's instructions of both originally agreed text and our suggested redraft. He is most anxious to proceed without delay and has asked that unless there are specific points you wish to insist on you might (empower?) us to negotiate (with?) final draft at this end.

4. We consider reference to Geneva Agreement and specific articles therein should be included. Moreover that our wording "to ascertain and investigate, etc. depending on the facts of each case" is more precise than Indian wording "to deal as appropriate" which could be open to wide interpretation.

5. Menon's plan is that Indel-Candel statement will become a Commission majority decision.

³⁴ Voir/See Volume 27, document 563.

6. Menon, perhaps inadvisably, has informed Polish delegation of plan but has not repeat not provided them with any text. Polish delegation tried vainly to head off move then said they could not repeat not discuss question without instructions from Warsaw. Menon says he is determined to proceed and wants majority draft to present to a (group corrupt).

7. Menon did not repeat not (group corrupt) directly but from his remarks it can be assumed this belated but gratifying development stems from Indian fear of collapse of Geneva Conference and desire to impress Americans particularly with Commission's willingness on majority basis at least to deal with subversive problem. Other influences (supporting this?) action may have been American proposals to increase military and other aid for South Vietnam despite Geneva Agreement, also Delhi's cognizance of recent press attacks on Commission and Gopala Menon himself. Indians at Geneva may also wish to test Soviet good faith.

8. We would be grateful for your immediate comments.

[C. J.] WOODSWORTH

733.

DEA/50052-A-13-40

*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. CANADIAN EYES ONLY.

[Ottawa], May 31, 1961

SOUTH VIETNAM – U.S.A. PROPOSAL TO INCREASE STRENGTH
OF MILITARY ASSISTANCE ADVISORY GROUP (MAAG)

It is apparent that the Americans and the South Vietnamese are determined to go ahead with their intention to increase the strength of the Military Assistance Advisory Group (MAAG) in Vietnam. We entirely agree as to the seriousness of the situation in South Vietnam which has led them to this decision. Since our telegram Y-277 (copy attached)³⁵ was prepared, we have been considering what action we could best take in order to be as co-operative as possible and to give the Americans what assistance we can.

2. The fact of the matter is that if the United States and the South Vietnamese Government decide to handle this increase as they did the last, i.e., by informing the International Commission of their intentions, there would be little or nothing that we could do, regardless of our sympathies, to help in obtaining a favourable decision in the Commission or in preventing the creation of a fine propaganda weapon for the other side. I might add that the North Vietnamese have already mounted an extensive propaganda attack on the basis of published reports of Mr. Lyndon Johnson's talks in Saigon. In short, whatever the intrinsic merits of the United States action, we believe that if the Commission were to be formally seized of the question at the present time, the result could hardly fail to be a finding by the Commission that a serious breach of the Geneva Agreements had been committed, with possibly adverse effects on the United States position in Southeast Asia. Faced with this probability, it would seem that the most useful course for us to take now would be to try to avoid a situation in which the Commission is forced to take a decision regarding an increase in MAAG.

3. The last time this question came up in the commission, the outcome of the discussion was a letter (approved by a Canadian-Indian majority) to the South Vietnamese Government noting that Government's intentions, and reiterating the Commission's requirements regarding

³⁵ Voir/See document 726.

notification procedures vis-à-vis foreign military personnel. The letter contained no reference to any authorized ceiling even though it was apparent in the Commission that the Indians were thinking in terms of an upper limit of 888 (the total of French and United States instructors in 1954). The notification procedure mentioned is simply a requirement contained in the Cease Fire Agreement that a two-day advance notice on the arrivals and departures of individuals be provided for the information of the Commission's teams. In practice, this notification procedure has never worked very well (the fault lies with both the Commission and the South Vietnamese authorities) and the Commission, therefore, has no accurate figure of the exact number of foreign military personnel present in South Vietnam at any one time.

4. In this difficult situation, it might be useful to the Americans if we were to have an informal discussion with them to outline what we anticipate would happen in the Commission and to tell them what we can and cannot do to help them. If you agree, the following points might be orally conveyed to them:

(a) Regardless of what the South Vietnamese and U.S.A. authorities intend to do in practice, it would be unwise for the South Vietnamese Government formally to notify the Commission of its intentions;

(b) It would be better for the South Vietnamese to continue operating (for the time being at least) under the terms of the Commission's last letter which made no reference to an authorized ceiling;

(c) If the movement of MAAG personnel can be arranged in such a way as to result in figures below 888, this might pave the way for a favourable Commission decision if and when this question has to be discussed in that body. In this connection, there would probably be less difficulty in the Commission if the arrival of new MAAG personnel could be so arranged as to avoid a large influx at any one time.³⁶

G. I[IGNATIEFF]
for Under-Secretary of State
for External Affairs

734.

DEA/50052-A-13-40

Note de la Direction de l'Extrême-Orient
Memorandum by Far Eastern Division

SECRET

[Ottawa], June 14, 1961

U.S.A. PROPOSALS REGARDING MAAG INCREASE

Rufus Smith of the U.S. Embassy called on me the morning of May 30 to talk about the American proposals to increase MAAG. He said they were talking also to the U.K. and the French and proposed in a few days to talk to the Indians in New Delhi.³⁷ He said the Americans had discussed their proposed increases with the South Vietnamese and had their concurrence. The U.K. authorities had expressed sympathy and understanding with regard to American intentions but had asked some questions (on which Smith did not elaborate).

2. Discussing the MAAG increase in relation to the Geneva Agreements, Smith said that, threatened as it is by subversion, the South Vietnamese government is within its rights if it

³⁶ Note marginale :/Marginal note:

Approved by SSEA 31/5. R. C[ampbell]

³⁷ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. I (Washington: United States Government Printing Bureau, 1988), documents 63, 79.

does not see itself limited by Articles 16 and 17 with regard to military help and war materials. In fact, South Vietnam is fighting for its existence in the face of continued violation of Articles 16, 17 and 24 by the DRVN. The basis in international law for the South Vietnamese action is that when there is a material breach of an agreement by one party, the other is relieved of the responsibility for full compliance until the first complies. The U.S.A. action is designed to counteract breaches by North Vietnam, and the U.S.A. maintains its readiness to go back to the previous position if and when the North Vietnamese start complying with the terms of the Agreement. Smith did not know to what extent there might be further additions to the 100 additional military personnel already mentioned. He undertook to try to get further information on this point from Washington. He referred to the argument which had been used by the South Vietnamese to justify the last increase i.e. that the number of MAAG personnel was not yet up to the total of U.S.A. and French military instructors in Vietnam at the time of the cease fire and said that they were not going to attempt to justify this new increase on those grounds.

3. He said he had been asked to stress that the U.S. proposals do not represent an intent by the U.S.A. to upset the Geneva Agreements in general. The U.S. continues to see the agreements as the basis for a *modus vivendi* at least for the time being. Nor was it the intent to upset the control arrangements. With all the Commission's difficulties and restrictions, it still served a useful purpose.

4. On June 2 Smith telephoned to say that the South Vietnamese had been asked not to inform the Commission formally of the intended increase at the present time or to make a public announcement. On June 6 Smith called to say that the 100 additional military personnel for MAAG were already in South Vietnam and that regular notification procedures had been used.

J.M. TEAKLES

735.

DEA/50052-A-13-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Commission for Supervision
and Control for Vietnam*

TELEGRAM Y-337

Ottawa, June 5, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel Y-305 May 26 and your Tel 132 Jun 1. †

Repeat for Information: Washington, London, Delhi, Laosdel Geneva, Paris (Priority), CCOS, DM/DND, DGPO, CGS (Priority) from Ottawa.

PROPOSED MAAG INCREASE

Smith of USA Embassy called on Department May 30 for further discussion of USA plan to increase MAAG. He said Americans were also talking to UK and France, and planned within a few days to talk to Indians in Delhi. He said proposal had been discussed with South Vietnamese who had concurred. He had no further information on numbers. In general, he repeated reasons contained in Washington telegram 1560 May 15 for proposed increase. He particularly emphasized that American plans did not represent an intention by USA to upset either Geneva Agreements in general or the control arrangements.

2. In further informal discussion with Smith on June 2 he said USA had been advised by other interested friends not to raise matter with Indians at this time. He did not know whether this advice would be followed. We pointed out that Commission had already been seized of matter in general terms through General Giap's letter (your telegram 125 of May 27).† Given the considerable experience of South Vietnamese in handling general allegations of this nature from DRVN, a reply in general terms should not prove particularly difficult. On other hand, a formal notification from SVM similar to Vu Van Mau's letter of February 23, 1960³⁸ might well result in a Commission decision unfavourable to SVM since, if an intention to exceed figure of 888 were expressed, Indians would probably consider themselves bound by legal position they took in 1960. Even if figure were below 888, Indians might possibly retreat from their 1960 position. We drew attention to fact that Commission's letter of April 1960 on MAAG increase made no reference to an authorized ceiling. An influx of large numbers of MAAG personnel at any one time might, we said, also cause difficulties because of continuing problems in Commission regarding notification procedures under Article 16(f) and (g).

4. Smith informed us later on June 2 that Americans had asked South Vietnamese authorities not repeat not to write to Commission about their intentions at present time, nor to make a public announcement regarding an increase in MAAG. He had no further information as to whether Americans intended to discuss question with Indians at an early date.

5. In these discussions with Smith, we stressed that we appreciated seriousness of situation in South Vietnam which had prompted USA authorities to make their decision to increase MAAG. We made no attempt to dissuade them from going ahead with their plans. In your discussions with Nolting you should similarly avoid any such attempt and should speak along lines of paragraph 3 above.³⁹

6. Grateful for your comments on questions raised in our telegram Y-305 of May 26.

736.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 136

Saigon, June 5, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 132 Jun 1.†

Repeat for Information: London, Washington, Laosdel Geneva, DM/DND, CGS from Ottawa.

PROPOSED MAAG INCREASE

In cocktail conversation June 2 with Brigadier Allan two junior USA Embassy officials indicated in strict confidence that increase of American personnel for South Vietnam may approximate one thousand. No repeat no hint given as to number of military involved.

³⁸ Voir/See Volume 27, document 544.

³⁹ Voir/See document 739.

2. Officials seemed to be more concerned with extent and types of military equipment involved. Apparently this material will exceed any established credits.

3. All addressees should protect source.

4. In view especially of above would appreciate early reply to my telegram 132 June 1.⁴⁰

[C.J.] WOODSWORTH

737.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 137

Saigon, June 6, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 136 Jun 5.

Repeat for Information: Delhi, DM/DND, CCOS, CGS, London, Washington, Laosdel
Geneva from Ottawa.

USA AID TO SOUTH VIETNAM

One of USA Embassy political officers referred to in our reference telegram during visit to Candel office today confirmed American intentions to introduce approximately one thousand additional personnel at an early date. He indicated majority of newcomers would be military as intention is to train Vietnamese army and civil guard on an individual and regimental basis, not repeat not merely instructional cadre and formations as now.

2. Equipment involved would apparently be used for a major increase in Vietnamese army and civil guard. Source said flatly quantities and types would undoubtedly exceed authorized credits.

3. Source said reason for augmented programme is to counteract expanded Vietcong drive and possibility subversive activities may topple Diem government. Moreover in light of Cuba and Laos, USA must make a stand internationally and South Vietnam is to be it.

4. As in our reference telegram please protect source.

[C.J.] WOODSWORTH

⁴⁰ Note marginale :/Marginal note:

June 5/61. Smith called, U.S. Embassy, to say the 100 extra advisers previously referred to were already in Vietnam. Normal notification procedures had been used. P.A. M[cDougall]

738.

DEA/50052-A-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 452

New Delhi, June 8, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Saigon Tel 137 June 6.

Repeat for Information: London, Washington, Laosdel Geneva, DM/DND, CCOS, CGS from Ottawa, Saigon from Delhi.

USA AID TO SOUTH VIETNAM

Scott, First Secretary in UK High Commission, called this morning to ask whether we could confirm information received in Washington that USA was planning to send 100 additional MAAG personnel to South Vietnam and in this connection proposed to declare that USA no repeat no longer felt bound to observe certain articles of CFA Vietnam. He mentioned Articles 6, 17 and 27. Scott said that London was disturbed because it seemed USA was making great fuss about introducing a relatively small number of people and suspicion had been aroused that USA was in fact planning a much larger operation. He added that UK had suggested to USA that timing of any such declaration as they appeared to contemplate was singularly inopportune. It was his understanding that Americans had agreed to delay action for time being.

2. Because of classification of reference telegram we were not repeat not completely frank with Scott. We told him that we had heard something about American intentions with respect to MAAG in Vietnam but emphasized that such information as we had was not repeat not given at level or place from which such information would be expected. If therefore you are giving information contained in reference telegram through Earncliffe or Canada House, perhaps you would authorize us to do same to UK office here for sake of our relations with them.

739.

DEA/50052-A-13-40

*La Direction de l'Extrême-Orient
au directeur général des Plans et des Opérations,
Ministère de la Défense nationale*

*Far Eastern Division
to Director General of Plans and Operations,
Department of National Defence*

SECRET

Ottawa, June 9, 1961

Dear Ross [Bishop],

SOUTH VIETNAM – INCREASE IN MAAG

I enclose for your information a copy of the memorandum to the Minister on this subject, dated May 31, to which I referred yesterday. Mr. Green approved the recommendation in paragraph 4. We then called in Rufus Smith of the United States Embassy and spoke to him in accordance with the other attached paper dated June 2.†

As you will see, our telegram No. Y-337 of June 5 to Saigon gave only a blurred version of what was said to Smith. This was of course deliberate: we thought it essential, in view of the sensitivity of the views we were expressing to the Americans, to restrict the circulation of the full version as much as possible. At the same time, Woodsworth in Saigon obviously had to be given a general indication of the line he could take with the American Ambassador there.

I realize that on reading the telegram to Saigon you must have found it rather cryptic, and I hope that this explanation will allay any qualms you may have had. Naturally, any comments you might wish to make at any time would be welcome.

Yours sincerely,

J.M. TEAKLES

740.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 140

Saigon, June 12, 1961

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Paras three and five your Tel Y-337 Jun 5.

Repeat for Information: Delhi, DM/DND, CCOS, CGS, London, Washington, Laosdel
Geneva from Ottawa.

USA AID TO VIETNAM

On receipt of your telegram I contacted USA Embassy. Counsellor informed me that Ambassador, temporarily absent from Saigon, [had] received new instructions to withhold detailed plans for increased MAAG and military aid program. In view of this and my wish for further instructions from you I suggested we postpone formal discussion.

2. In casual conversation June 12 Nolting confirmed that additional personnel contemplated is much larger than number envisaged by British. He did not repeat not clarify what increase would be military.

[C.J.] WOODSWORTH

741.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*
*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 142

Saigon, June 13, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: Laosdel Geneva, London, Paris, Washington from Ottawa,
Moscow, Warsaw from London, Delhi, Vientiane, DM/DND, CCOS, CGS, DGPO.

VIETNAM SUBVERSION POLICY STATEMENT

At formal Commission meeting today Indel supported adoption of Candel draft statement on subversion as worded in subparagraphs one and two of paragraph two our telegram 127 May 30. Poldel asked for adjournment without time limit. By advance agreement, I proposed a one-week time limit which Menon extended to ten days to allow Poldel to receive instructions. Poldel asked brief adjournment for private discussion with Menon following which Menon conferred privately with me. As result I agreed to withdraw time limit on understanding Candel reserved right to call a formal meeting to discuss item not repeat not later than ten days from now. It may be noted that any delegation has right to ask a meeting for any time. However my agreement to withdraw time limit was based on Menon's private assurance that meeting will be held at our request and that if Poles refused to attend, matter would be reported to Co-Chairmen on grounds of non-cooperation. I propose to ask for a meeting June 23.

[C.J.] WOODSWORTH

742.

DEA/50052-A-13-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*
*Secretary of State for External Affairs
to Commissioner, International Commission for Supervision
and Control for Vietnam*

TELEGRAM Y-357

Ottawa, June 14, 1961

SECRET. PRIORITY.

Reference: Your Tel 140 of June 12.

Repeat for Information: London, Delhi, Washington, Laosdel Geneva, DM/DND, CCOS,
CGS, DGPO (Routine).

USA AID TO VIETNAM

We are not clear as to what further instructions you wish from us (sentence 3, paragraph 1 of your reference telegram). Because Americans have already approached us here and in Washington we would envisage your discussions with Nolting as providing him with an opportunity to volunteer any information he wishes. We would be grateful for immediate report and your assessment of implications if Nolting offers more concrete information

regarding USA plans. If his approach calls for comment on your part, paragraphs 3 and 5 of our Y-337 continue to represent line we are taking on this subject.

2. For your information we were told last week by USA Embassy that the one hundred additional military personnel (i.e. original figure mentioned by Americans) were already in Vietnam and regular notification procedures had been used.

743.

DEA/50052-A-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 1909

Washington, June 15, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 1805 Jun 6.†

Repeat for Information: London, Laosdel Geneva (OpImmediate), Paris (Priority), Delhi, Saigon (Priority) from Ottawa.

VIETNAM – MAAG INCREASE

You may have noticed press reports of June 14 referring to the visit to Washington of Nguyen Dinh Thuan, Vietnamese Secretary of State for Security Coordination. He is reported to have delivered a letter to President Kennedy from President Diem concerning an increase in military and economic aid to Vietnam. He is also said to have indicated that USA officials, including the President himself, had been sympathetic to Vietnamese proposals, which he said would require the presence of more Americans in Vietnam. USA Defence Department officials are quoted as saying that no repeat no final decision had been reached on one of the central points in the Vietnamese proposals, namely that USA provide instructors who would train Vietnamese forces directly. The reports indicate that under the present system training is done by Vietnamese instructors who have been trained by USA specialists.

2. It would seem from these press reports that public interest in the question of an increase in the MAAG in Vietnam will be intensified. In particular the question of the position of the ICSC for Vietnam on any possible increases in the MAAG may be raised in public discussion. Heretofore there have been, so far as we are aware, only the allegations of the DRVN régime to cope with.

3. As you know this Embassy has not repeat not made any direct response to Assistant Secretary McConaughy's notification to us on May 15 that an increase in the MAAG was contemplated. We realize that there have been some informal discussions with USA Embassy in Ottawa and in Saigon. (Your telegram Y-337 of June 5 and Y-357 June 14.) On the other hand there has been considerable uncertainty as to the scope of the increase in the MAAG (see for instance, Saigon's telegram 140 June 12). Perhaps associated with the ultimate size of the increase, if it is decided to increase it beyond the figure indicated by McConaughy, there seems to be some uncertainty as to whether there is an intention to regard some or all of the Ceasefire Agreement inapplicable.

4. It seems to us, particularly in the light of the public interest that may now be generated in this question, that it might be useful to put our views more formally on the record with the appropriate USA authorities, either in Washington or elsewhere if that were thought preferable. What concerns us is that if a substantial increase in the MAAG is being planned (i.e. beyond the theoretical limit mentioned in your Y-277 of May 17) it would seem essential

to ascertain directly the facts of the situation and to indicate our views of the implications of any such action for the current Geneva Conference on Laos and the action currently being taken in the Vietnam Commission on the subversion question. While these current press reports may exaggerate the scale of assistance under consideration, it would be helpful to have your views.

744.

DEA/50052-A-13-40

*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 939

Geneva, June 18, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel 1909 Jun 15.

Repeat for Information: London (OpImmediate), Paris, Delhi, External (Priority), Saigon (Priority) from Delhi.

VIETNAM – MAAG INCREASE

In spite of the difficulties which the American action in respect of the number of their MAAG personnel in Vietnam will undoubtedly create for the International Commission, I continue to believe that any Canadian attempt to deflect the Americans from their stated intentions by under-scoring the possible repercussions on the Geneva Conference on Laos or on supervision issue in the Vietnam Commission, would be untimely and probably misunderstood. For the time being I think we should refrain from expressing our views to the Americans, although there is of course no repeat no objection to continuing to try to ascertain through normal contacts both in Washington and in Saigon the exact facts of the situation.

[H.C.] GREEN

745.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures
Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 146

Saigon, June 20, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Your Tel Y-357 Jun 14.

Repeat for Information: Delhi, London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, CGS, DGPO from Ottawa.

USA AID TO VIETNAM

1. In friendly and useful discussion with Nolting today we were assured that Washington has yet to inform him of any final decision as to how aid program is to be implemented. Nolting made it clear however that USA is determined to carry out announced program. But he

appeared impressed with arguments we advanced (paragraphs 3 and 5 your Y-337) against open repudiation of any articles of Geneva agreements. He said two possible courses had been considered (a) direct disregard by SVM of Articles 16 and 17 with USA support (b) “backdoor” methods. Nolting admitted he and many in Washington had originally favoured first course.

2. We suggested a possible third alternative (a) use as many civilians as possible (b) eliminate as many non-essential military as possible now in MAAG (c) introduce materiel properly notified up to limit of credits including possible credits that could be argued under justification of titles. Nolting’s reaction appeared most favourable.

3. We suggested further that training of South Vietnamese forces might be conducted by Americans possibly in Philippines, a proposal Nolting found new and appealing.

4. Nolting confirmed that number of military personnel now contemplated is less than envisaged at one point and reported in paragraph one our telegram 137 June 6. He has promised to keep us closely in touch with all developments.

[C.J.] WOODSWORTH

746.

DEA/50052-A-13-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d’État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 150

Saigon, June 22, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE from Delhi.

Reference: Our Tel 146 Jun 20 and Laosdel Geneva Tel 939 Jun 18.

Repeat for Information: London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, CGS, DGPO from Ottawa, Delhi.

USA AID TO VIETNAM

1. Without attempting to discourage Americans in their aim we thought we might pass on some reflections which might be useful in establishing those acceptable methods.

2. For example Nolting in our talk June 20 stated it was the USA appreciation that open repudiation of Articles 16 and 17 would not repeat not “bring down temple of IC merely by removing a couple of pillars.” Our view here is that such action would be the beginning of the end; after [exploiting] propaganda aspect North would undoubtedly repudiate any articles which suited their purpose. Sooner or later one of delegations would throw up its hands and quit or one of parties would ask International Commission to leave as of little value to party.

3. If International Commission were forced to leave the greatest danger would be vacuum created in (group corrupt). Undoubtedly both parties would wish to fill in, possibly sparking a conflagration.

4. USA view as presented by Nolting seemed oblivious of likelihood that at least some countries in this area, e.g. India, Cambodia, Indonesia would look unfavourably of repudiation of 16 and 17 on the unproven grounds North had violated Geneva Agreements.

5. In connection with 16 and 17 Article 24 is vital to subversion policy issue. It would be most unfortunate if Americans who have pressed Indians on this issue were to sabotage effort

now. Giap has already bluntly warned Menon of his displeasure at Indian support and for this and other reasons Indians might react strongly against American repudiation of any article.

6. Nolting advised me today wire from Washington received June 21 indicates decision re method has been "definitely put on ice" and thinking appears now to be against "frontal assault" previously contemplated and more in line with paragraphs 3 and 5 of your telegram Y-337 June 14.

7. Re paragraph 2 your Y-337 June 14 we are unaware of any increase in MAAG military personnel as check of report of FDRT Saigon period May 6 to June 10 shows total of 280 incoming against 313 outgoing. However we have observed more USA military personnel than usual around Saigon and Cap St. Jacques. Of course this could merely mean internal redistribution.

[C.J.] WOODSWORTH

747.

DEA/50052-A-13-40

*Note de la Direction de l'Extrême-Orient
pour le sous-secrétaire d'État adjoint aux Affaires extérieures*

*Memorandum from Far Eastern Division
to Assistant Under-Secretary of State for External Affairs*

SECRET

[Ottawa], June 23, 1961

VIETNAM – MAAG INCREASE

Telegram No. 1991 from Washington (copy attached)† appears to relieve the worst of our fears concerning the possible effects of the proposed MAAG increases. It now seems certain that the United States have abandoned any intention to connect MAAG increases with a repudiation of specific articles of the Cease-fire Agreement. Moreover, the contemplated increases appear, at this stage at least, to be much smaller than we had once feared. (There now appear to be one hundred more MAAG advisers in Vietnam than the number of 685 that last year's decision of the Commission in effect authorized. The Commission is still considering the accuracy of 1956 and 1957 figures for movement of United States personnel into and out of Vietnam, and the Indians have so far consistently refused to discuss the figures for more recent years until the earlier record has been straightened. It therefore seems fair to say that this and some further increase, so long as it is not unduly large, and so long as the intention to exceed the allowed ceiling is not explicitly stated, could probably be undertaken without serious repercussions. The State Department officer with whom our Embassy talked stated that the number still to be sent to Vietnam "would not be large.")

2. From this it would appear that there is, for the present at any rate, no urgent reason for putting to the Americans the questions Miss Allen raised with you in a recent conversation, and that it would be difficult to do so on the evidence we now have of United States intentions. I suggest, therefore, that for the time being we defer raising these questions with the Minister, unless or until it appears that the United States is again changing its mind concerning the methods it intends to use to implement its decision. You will note that the Vietnamese have been asked not to publicize the MAAG increases and that the United States intends to consult the Indians directly about the proposed increased assistance.

3. Telegram No. 150 from Saigon, which we have just received (copy attached), informs us that the recent increase of one hundred in the number of MAAG in Vietnam does not appear so far to have been reflected in the returns from Fixed Team Saigon.⁴¹

J.M. TEAKLES

748.

DEA/50052-A-40

*Extrait d'une lettre du commissaire de la Commission internationale
de surveillance et de contrôle pour le Vietnam
au sous-secrétaire d'État aux Affaires extérieures*

*Extract of Letter from Commissioner, International Commission
for Supervision and Control for Vietnam,
to Under-Secretary of State for External Affairs*

LETTER NO. 157

Saigon, July 14, 1961

CONFIDENTIAL

REPORT OF THE ACTIVITIES OF THE INTERNATIONAL COMMISSION
FOR THE PERIOD JUNE 1 - JUNE 30, 1961

The Commission held three formal meetings during June, the 609th on June 13, the 610th on June 24 and the 611th on June 26. The last one was called primarily to say farewell to Mr. Tadeusz Wisniewski, who left Vietnam for home on June 27. (Until his successor is named, Mr. Julian Tworog, the Alternate Delegate, will head the Polish Delegation.)

2. During this period, three Operations items and one Freedoms item were considered by the Commission. By far the most important item, however, and the one so long awaited, was the consideration of the SVM's allegations of acts of subversion, sabotage and espionage committed in the territory of the Republic of Vietnam in violation of Articles 1, 10 and 24 of the Geneva Agreement.

3. At the first meeting to consider this item (the 609th), we submitted our draft statement on subversion, which was supported by the Indian Delegation. The item was then adjourned on the understanding that the Commission would come back to it within ten days' time, thus giving the Polish Delegation time to seek instructions if needed.

4. On the historic day, June 24, the Commission, by a majority vote, adopted a Statement of Policy which was agreed on in advance by the Canadian and Indian Delegations. The Polish Delegation left no doubt of its dissent and protest. The Commission also approved drafts of letters to be sent to the PAVN High Command and the SVM containing the Statement of Policy and decided that the Legal Committee, on the basis of this policy decision, would deal with all cases referred to it and meet as soon as possible.

5. The Working Group continued its discussion on the Indian draft of the 11th Interim Report and by June 22, after 23 long sessions, went as far as it could go. All chapters except the last (Conclusions) were discussed and agreement was reached on all but 12 Indian draft paragraphs and five new paragraphs put forward by the other Delegations. It took another ten days for the Secretariat to prepare the revised draft and it was not until early July that informal meetings of the Commission began. These are still continuing. On July 13 it was decided to attempt to reach agreement on outstanding paragraphs by negotiation through the Indian chairman, the

⁴¹ Note marginale :/Marginal note:

Thanks. I agree. We might still [complete?] the letter to Mr. Rae. G[eorge] G[lazebrook]

decisions to be ratified later at informal and finally formal meetings. It is still uncertain when the Report will be completed and signed.

...

CHARLES J. WOODSWORTH

749.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au sous-secrétaire d'État aux Affaires extérieures
Commissioner, International Commission for Supervision
and Control for Vietnam,
to Under-Secretary of State for External Affairs*

LETTER NO. 185
CONFIDENTIAL

Saigon, August 11, 1961

INTERNATIONAL COMMISSION CONTROLS, VIETNAM

1. Among many problems connected with the carrying out of controls by the ICSC Fixed and Mobile Teams in Viet-Nam, three are a matter of particular concern, Muong Sen, the Demilitarized Zone and Gia Lam Airport.

2. Muong Sen

(a) When the two Fixed Teams at Muong Sen in the North and Tan Chau in the South were withdrawn in December, 1960, in accordance with a directive from the Co-Chairman, it was agreed with all concerned that controls of these areas would be carried out on a fortnightly basis by the Fixed Teams at Vinh and Saigon respectively. Since that time, the PAVN have presented excuses such as poor transport and bad roads to prevent any visit to the Muong Sen area by the Fixed Team at Vinh. They have twice requested that the frequency of this control be reconsidered and in both cases the Commission has re-affirmed the need for fortnightly controls.

(b) The second time that the PAVN request was considered by the Commission was at the 620th Meeting held 4 Aug 1961 in Hanoi. At that time we put forward to the Commission a proposal that, as it had been impossible to carry out any controls of Muong Sen since the withdrawal of the team and only two controls of Tan Chau had been made in the South because of security problems, a letter should be sent to the Co-Chairman recommending that the two Fixed Teams be re-established in order to ensure that their directions regarding the need for continuing efficient controls of these two areas, were carried out. As a second proposal we made a motion that a strongly worded letter which might eventually enable us to obtain control, or a citation for non-co-operation, be sent to the PAVN.

(c) Unfortunately, a mild letter to the PAVN which made no progress whatsoever towards obtaining either a citation or controls of Muong Sen was put forward by the Indian Delegation and it was immediately approved by the Poles. We dissented on the basis that the letter made no progress towards solving the problem.

(d) If, as we suspect, there is no change in the attitude of the PAVN towards controls of Muong Sen as a result of the approved Commission letter, we propose to continue to press for a letter to the Co-Chairmen outlining the situation and recommending re-establishment of the Fixed Team Muong Sen and if necessary, Tan Chau.

3. *The Demilitarized Zone*

(a) For a number of years, controls of the D.Z. by the Commission's Mobile Team 76 located at Gio Linh have been severely restricted and amount to conducted tours down a few selected roads, all within 10 to 12 kilometres of the coast. By far the largest part of the D.Z. has not been controlled by the Commission's teams in over five years in spite of the responsibility and right to do so having been clearly established in the Geneva agreement.

(b) Since 1959, many complaints have been received from both Parties of the establishment by the other of Military bases and installations in the vicinity of A-Choc in the far western part of the D.Z., near the Laotian border. Eventually a reconnaissance of the area was arranged with the concurrence of both Parties. However, this fell through owing to the non-appearance of the Northern Liaison Officer at the appointed time and place and the control was called off. It is of interest to note that all facilities to reach this virtually inaccessible area, were made available by the South.

(c) Since that time, all efforts on our part to have a control carried out to the area have been frustrated in the International Commission. The most that we have been able to accomplish is a further letter to the PAVN pointing out that their oft-repeated excuses for not co-operating have been answered by the Commission and requesting them once again to assist in carrying out a control by the Commission's team to the A-Choc area.

(d) As a secondary attack we were successful in having placed on the Agenda for the recent IC meetings in Hanoi a consideration of the whole question of means of carrying out controls in the D.Z. by Mobile Team 76 with particular reference to the present instructions to this team which read in part:

“The Team will carry out patrols to any point in the Demilitarized Zone.”

(e) In our presentation on this item we stressed the need, the responsibility and right to carry out immediate and periodic controls throughout the whole D.Z., citing the Geneva Agreement extensively and the more than fifty letters received since 1 Jan 61 from both Parties complaining of violations of the D.Z.

(f) The Commission decided to refer the whole matter to the Operations Committee for examination and recommendations and it is our intention to press in that Committee for the establishment of immediate and periodic controls throughout the D.Z. in accordance with the responsibility and rights of the Commission set forth in the Geneva Agreement. Alternatively, it would appear logical to establish another MT in the Western section of the D.Z.

4. *Gia Lam Airport*

(a) At the time of the drawing up of the Geneva Agreement in 1954, Haiphong, the principal seaport for Hanoi, was designated as a port of entry and Commission Fixed Team was established there. However, Gia Lam, the airport at Hanoi, was not designated as a port of entry. In the South, of course, Saigon, being a seaport, was designated as a port of entry and a team established here with daily controls to both the port *and* the airfield.

(b) In the meantime, it has become increasingly evident that Gia Lam Airport at Hanoi is an international airport and has been used extensively by the USSR to bring in equipment for the PAVN and the Pathet Lao. During the visit of the IC to Hanoi 1 - 8 Aug 61, some 30 USSR transport aircraft were seen on the airfield. Although quarterly controls of Gia Lam are mandatory under present IC instructions, no official control of the airport has been carried out since January, 1959.

(c) It is our intention at a forthcoming Commission meeting to press for daily control of Gia Lam International Airport as the principal airport of entry for the North, in the same way as the Saigon airport is controlled daily in the South.

5. Any comments or suggestions you may have on the above problems and our proposals respecting them would be most welcome. In particular, any direction you could give regarding the procedure by which might possibly have Gia Lam designated as an International Port of Entry and subject to daily controls would be appreciated.

CHARLES J. WOODSWORTH

750.

CEW/Vol. 3175

*Note du ministre de l'ambassade aux États-Unis
pour l'ambassadeur aux États-Unis*
*Memorandum from Minister, Embassy in United States
to Ambassador in United States*

CONFIDENTIAL

Washington, October 4, 1961

COLONEL NAM

You will have seen my telegram concerning Colonel Nam, the South Vietnam liaison officer with the ICC, who according to news reports, has been arrested by Communist guerrillas in the vicinity of Saigon.

2. You will also have seen the Kenworthy story on page 21 of the *New York Times* of today, under the heading "U.S. Concern Rises on Vietnam Crisis." This story contains a number of comments by "officials" here as to the inefficacy of the ICC in Vietnam and its inability to deal either with subversion or with the armed aggression across borders.

3. In your discussion with Alexis Johnson today, it would be useful to get his frank appraisal of the Commission's current role, and an indication whether the increased U.S. concern forecasts some additional move to relieve the South Vietnamese government of some of its responsibilities under the Geneva agreements on the grounds that these agreements have been continuously violated by the other side.

S.F. R[AE]

751.

CEW/Vol. 3175

*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*

SECRET

[Ottawa], October 5, 1961

CONVERSATION WITH U.A. JOHNSON, DEPUTY UNDER SECRETARY
FOR POLITICAL AFFAIRS, OCTOBER 4, 1961

I think the following are the major points on Vietnam that emerged from this conversation:

(1) Johnson was satisfied that the ICSC was, at least on balance, useful in Vietnam: he had never heard discussed in the State Department any suggestion that it should be abolished;

(2) As to the effectiveness of the Canadian role, he expressed full understanding of the limitations of the ICSC arising out of the participation of the Polish and Indian members, out of the terms of the cease-fire agreement and out of the practical difficulties caused by the non-cooperation of the parties;

(3) He accepted the desirability of bringing the Indians along where this proved possible and recognized this as a prime concern of Canadian delegation;

(4) He also did not expect the ICSC to come up with a watertight case in respect of infractions;

(5) Nevertheless, he thought ICSC (by implication, the Canadian-Indian majority, or at least the Canadian delegation) could in many cases have acted more effectively in publicizing the true state of affairs in Vietnam. He referred particularly to the blatant Soviet infractions of the ceasefire agreement in the use of Hanoi (Gia Lam) Airport to supply the rebels in Laos.

(6) In his view, the most helpful role the ICSC could play would be to alert public opinion to Communist violations. He referred in this connection to USA desire to get ICSC established in Laos with full freedom of movement and no limitations as to quorum, etc., so that if, as he hoped, the Soviet Union engaged in a commitment not to allow Hanoi to use Laos as a corridor for infiltration into South Vietnam, there would be machinery at hand to expose any Soviet dereliction. It was for this reason United States representatives at the current Geneva Conference would press for the wider and more rapid publication and circulation of ICSC (Laos) reports;

(7) He did not deny that the South Vietnam government had to some extent been unco-operative, although he did ask for specific instances of it; and he also readily conceded that the Diem régime was not, in general, unblemished;

(8) He was appreciative of Canadian co-operative intentions and thought local liaison with United States representatives in Saigon had been satisfactory. He would let us know if additional liaison (e.g., in Washington) were thought useful.

2. Johnson was quite unconcerned about Indian sensitivity (perhaps understandably) but he said nothing to indicate whether broad Indian objectives in Southeast Asia were at all reasonable or in accord with United States policy for, e.g., Laos and Cambodia. He also apparently failed to grasp the suggestion that the purposes of the ICSC in Laos related first of all to that country rather than to Vietnam. Finally, he offered little response to the suggestion that the prospects for arranging the initial re-establishment of the ICSC in Laos might well have been prejudiced by active condemnation of the Gia Lam infractions by an Indian-Canadian majority of the ICSC in Vietnam. (The State Department was, of course, at that time rather hopeful that a neutral nations commission might supplant the ICSC for Laos.)

E.R. R[ETTIE]

752.

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], October 23, 1961

VIETNAM – MURDER OF COL. NAM

On October 1, Col. Hoang Thuy Nam, Chief of the Vietnamese Liaison Mission to the International Commission, was captured by an armed band while on a visit to his farm near Saigon. The Liaison Mission informed the Commission of this incident and asked it to order Col. Nam's release. Mr. Woodsworth attempted to have the Commission send a letter in reply, or at least to make some official statement on the case. The Polish Commissioner refused to agree to the Commission doing anything at all, and the Indian Alternate Delegate, although in

favour of sending a letter of condolence was not prepared to do so without the support of all Delegations. Mr. Woodsworth, since he was unable to move the Commission, then sent a letter on behalf of the Canadian Delegation expressing his sympathy and his hopes for Colonel Nam's safe and early return.

On October 16 Col. Nam's body was found, and a letter was sent by the Liaison Mission demanding an investigation of the circumstances. Woodsworth was then able to get the Commission to send a letter of condolence, and it was sent on October 18. Woodsworth asked that a meeting be called immediately to send a letter to the Liaison Mission asking for substantiation of the claim that the Viet Cong (Vietnamese Communists) had been responsible, and for evidence of the relationship between the Viet Cong and the Hanoi authorities, so indicating the Commission's interest in carrying the case further. The Polish Commissioner at first refused to agree to this, but later that same day, apparently fearful of reprisals that might be taken by the Vietnamese against the Polish Delegation, he agreed and a letter was sent.

N.A. R[OBERTSON]

753.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au sous-secrétaire d'État aux Affaires extérieures
Commissioner, International Commission for Supervision
and Control for Vietnam,
to Under-Secretary of State for External Affairs*

LETTER NO. 242

Saigon, October 31, 1961

SECRET. CANADIAN EYES ONLY.

DRVN ATTITUDE TOWARD I.C.C. AND RUMOURED INTRODUCTION
OF UNITED STATES TROOPS INTO SOUTH VIETNAM

On a farewell visit to Hanoi on October 30 and 31 I made courtesy calls on Prime Minister Pham Van Dong; General Huyen Van Thai, Vice Minister of Defence (Chief of staff at the battle of Dien Bien Phu); Colonel Mai Lam, deputy head of the PAVN Liaison Mission; Mr. Joseph Ford, U.K. Consular representative; and Raden Sunarjo, Indonesian Consul General. At a reception given in my honour by our Canadian personnel in Hanoi on the evening of October 30, I also spoke with many other former friends and acquaintances.

2. Brigadier Clift accompanied me on my calls on General Thai and Mai Lam, but left subsequently on a visit to Fixed Team Haiphong. I did not see either President Ho Chi Minh, now in Moscow attending a gathering, or General Giap, who is reported as usual to be absent from Hanoi, this time "on long leave and not very well."

3. North Vietnamese officials and brotherhood diplomatic representatives alike expressed deep concern over General Maxwell Taylor's visit to South Vietnam⁴² and the possibility that the Americans might move in troops there. As to the chances of this happening I did not, of course, hazard any guesses. There seems no doubt, however, that people in the North are profoundly worried by the prospect. Pham Van Dong, General Thai and Colonel Mai Lam all emphasized the gravity of such a step in a situation they noted is already extremely serious. They underlined the obvious, i.e., that if war were to break out great numbers of people in the

⁴² Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. I (Washington: United States Government Printing Bureau, 1988), Part VIII.

South would be killed. (They admitted freely that war between the two would also hamper the North's development programme.)

4. The Prime Minister, Colonel Mai Lam and the Polish Ambassador were also greatly interested in the discriminatory treatment currently being accorded the Polish Delegation to the I.C.C. in Saigon and what this may portend for the future of the I.C. itself. Bearing in mind that we must do everything to protect our Canadian I.C.C. personnel from reprisals in the North, I emphasized how Candel and Indel have both urged the GRVN to restore administrative and transport services to the Poles and meanwhile have been extending to Poldel what help we can. All concerned appeared duly appreciative of this attitude, of which at least Pham Van Dong and Mai Lam appeared to have been informed.

5. I would conclude from my talks that the North is genuinely anxious to keep the Commission alive and is seriously disturbed by the threat to its existence. It is taken for granted in Hanoi that Colonel Nam's death is only being used as a pretext by the South for its campaign against the Poles and the I.C.C., and that the real reason is the GRVN's wish to rid itself of the I.C. in order that American military plans can be carried out more freely.

6. When I asked Pham Van Dong why he considered the continued existence of the Commission so important to the North he replied, "Because the I.C.C. represents peace to Vietnam and an international guarantee that the Geneva Agreements, including reunification, will be carried out. Without the Commission we would be facing the unknown – an adventure with nothing in sight but chaos."

7. I was curious to test Pham Van Dong's reaction to an I.C.C. move to Hanoi and as one possible clue to the South's present attitude cited the recommendation of the Women's Solidarity Movement of Vietnam (see our telegram No. 206 of October 30),† then inquired "Would it really matter to you if the I.C.C. were to be headquartered here instead of Saigon?" After some reflection the Prime Minister answered, "It would not matter at all if the South were really prepared to cooperate with the I.C. and permit it to function properly, but if the South were not prepared to cooperate fully it would be very serious indeed."

8. Apropos of Colonel Nam's murder, Pham Van Dong offered some interesting comment. Some time ago Colonel Mai Lam suggested to Paul Lapointe the possibility that the GRVN had got rid of Nam because the latter had been at least "indifferent" to President Diem's fate in the November 1960 attempted coup. Nam, according to Mai Lam, resented the fact that after seven years with the South Vietnamese Mission he had not been promoted.

9. On this occasion Pham Van Dong asked me pointedly, "Have you any idea whether Colonel Nam's relations with the Government were good?" He went on to suggest that Colonel Nam may have been murdered by people "inside the Government" because he was strongly pro-French in a régime that is strongly anti-French, and that he said has rid itself in past years of many pro-French officials. They had then cast the blame on the Viet Cong and the North. Mai Lam's explanation, given to me later, was that anti-French feeling in the South was still high and that it is good political tactics to exploit the anti-colonial successes of the resistance movement, i.e., try to make themselves out "true patriots." When I countered that Colonel Nam was surely not widely known to the people of South Vietnam, was certainly not a national figure, and that therefore there would be little point in murdering him because of his alleged pro-French attitude, Mai Lam observed that as a one-time Chef de Province in the North, and a collaborator of the French, Nam had been very well known indeed. Needless to say Pham Van Dong and Mai Lam denied scornfully that the North or the Viet Cong had anything to do with Nam's death.

10. For other than personal reasons it is noteworthy that my reception by the Prime Minister and everyone else in the North could not have been more friendly. Considering certain issues the Canadian Delegation has raised at I.C.C. meetings in the past 18 months it was somewhat

surprising, not to say a little dismaying, to hear myself praised in the warmest terms for my alleged contribution to the peace and stability of Vietnam. And it was pleasant to be asked to convey to the Canadian Government the great appreciation of the DRVN for Canada's continued participation in the I.C.

11. This appreciation, I think, has deeper significance than any immediate gratitude the DRVN may feel because of our sympathetic attitude toward the Poles' present tribulations in the South. It appears to be a part of a recent general softening of the DRVN's attitude toward quite a number of countries – a softening induced by the hope of enlisting support against the prospective enlarged U.S. military effort in the South.

12. Observers like Mr. Ford, for example, point out that:

(a) The earlier harsh criticism of the I.C.C. itself in the North has recently given way to a much milder, almost kindly, approach. Notable have been two editorials in the government organ, *Nan Dhan*, of October 18 and 21, pegged to General Taylor's visit and alleging that the U.S. was seriously violating the Geneva Agreements. They commented in effect that the I.C. had discharged its responsibilities fairly well in the past and that although the Indians and Canadians had been guilty of backsliding in connection with MAAG, Law 10/59⁴³ and subversion, it was hoped they would do their duty regarding the American military build-up.

(b) Reaction in the North to the Thompson Mission⁴⁴ (application of Malayan experience to guerrilla subversion problem) has been surprisingly mild. What reference there has been to it in the Hanoi press has been buried in among a number of complaints.

(c) The North is no longer attacking the British and French and has adopted a friendlier attitude toward the Indians. For instance, when the French recently requested North Vietnam to withdraw its representatives from New Caledonia, Hanoi sent a stiff rejoinder but 24 hours later repented and became much more polite. And in a recent review of developments around the globe North Vietnam's Foreign Minister, Ung Van Khiem, observed that he was "very glad to say our relations with India, Indonesia and Burma have improved." (The Indians have since been at a loss to say in what respect they have improved.)

13. The drive to enlist support against the Americans is noticeable in other directions. On October 18 a statement issued by the South Vietnamese Liberation Front (Viet Cong-Viet Minh-sponsored organization in the South) declared that if the Americans bring in troops they will appeal to all peace-loving peoples and governments for help. This threatened appeal for outside assistance, it may be noted, is a new development in the struggle between North and South.

14. In line with this, as you will be aware, is today's (October 31) report in *Nan Dhan* that Foreign Minister Khiem has written to the Chairmen of the UN Assembly asserting that North Vietnam has fought unceasingly for the Geneva Agreements and demanding that the Americans give up their plan of introducing troops in South Vietnam.

15. This report has been written on the courier plane en route from Hanoi to Saigon. In another report I hope to record further comment regarding recent economic and military developments in North Vietnam as described to me during my brief farewell visit to Hanoi.

J. GREY

for Commissioner, International Commission
for Supervision and Control for Vietnam

⁴³ Voir/See Marvin E. Gettleman, ed., *Vietnam: History, Documents and Opinions on a Major World Crisis* (Greenwich, Conn.: Fawcett, 1965), pp. 256-60.

⁴⁴ Voir/See Foreign Relations of the United States, 1961-1963, Vol. I, document 299.

754.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur aux États-Unis,
au haut-commissaire au Royaume-Uni
et au haut-commissaire en Inde*

*Secretary of State for External Affairs
to Ambassador in United States,
High Commissioner in United Kingdom
and High Commissioner in India*

TELEGRAM Y-598

Ottawa, November 1, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 3330 Oct. 31,† Saigon Tels 206 Oct. 30† and 205 Oct. 28.†

Repeat for Information: NATO Paris, Paris, Laosdel Geneva, Saigon, CCOS, DGPO, CGS, DN/DND (Priority).

By Bag: Moscow, Phnom Penh, Vientiane, Hanoi from London.

VIETNAM COMMISSION

I take a serious view of mounting campaign in South Vietnam against Commission in general and Polish Delegation in particular. South Vietnam now appear to be trying by harassment and threats to force Commission to move to Hanoi or even (though this is denied) to disband altogether. South Vietnam could of course make either continued operation in Saigon or continued existence of I.C.S.C. impossible; and as you say present trend if continued might be very difficult to reverse. It is essential therefore that principally interested Western Powers should consider urgently whether either of these possible results is likely to be conducive to greater stability in Southeast Asia or to Western interests in area.

2. Commission's transfer to Hanoi under pressure would be widely interpreted as an indication of RVN intention to expel Commission altogether and to repudiate Geneva Agreements, and would have undesirable results elsewhere in Indochina. The irresponsible actions of the RVN, especially if followed by a retreat of the Commission from Saigon, might well jeopardize chances for the successful conclusion of the Geneva Conference.

3. It is not clear what RVN hope to gain from a move of this kind. We doubt very much if Indians would have been able to make kind of decision they did on subversive question had Commission been in Hanoi at the time. In any case, to subject Indians to possibility of continual pressure from DRVN could not have results that RVN would welcome.

4. Commission cannot keep silent indefinitely on treatment of Polish Delegation. Woodsworth has properly so far resisted efforts to have Commission consider matter formally. For the time being we should try to keep up pressure by other means since formal action by the Commission might only add fuel to the flames. However, formal action by Commission and possibility of complaint to Co-Chairmen (paragraph 1 Saigon telegram 204)† will soon have to be considered if results are not otherwise obtained.

5. If consensus is that disappearance of Commission or its reduction to complete impotence (which in our view would be result of departure from Saigon under pressure) is undesirable, then we believe that interested governments, and especially USA Government which is only one having real leverage, should without delay exercise strong pressure in Saigon to turn South Vietnam from its present course. Meanwhile, we consider that we have no option but to regard harassment of one delegation as matter of concern to whole Commission, and to show in all

appropriate ways, as our delegation has been doing, our solidarity with our colleagues on this matter.

6. I agree that you should urgently talk to the State Department. Although the USA have thrown out more than one hint (e.g. Saigon's telegram 204 October 27) that under certain circumstances they would wish to terminate the Commission, we assume that for the present they are anxious for it to continue. I should like an explicit confirmation of the latter. If the assumption is correct, they alone are in a position to influence the RVN and will wish to exert this influence. We are not prepared (a) to be intimidated into a retreat from Saigon, (b) to permit one delegation to be harassed and threatened, (c) to leave Canadian personnel unprotected.

For Delhi

You should urgently explain the above views to DEA, though not explicitly as instructions to Washington; and at the same time seek the Indian views, Saigon's telegram 205 indicates that Indian representation was made but not the content.

For London

You should in the light of the above consult the Foreign Office.

[H.C.] GREEN

755.

DEA/50052-A-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Commission for Supervision
and Control for Vietnam*

TELEGRAM Y-599

Ottawa, November 2, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tels 206 Oct 30† and 205 Oct 28† and Washington Tel 3330 Oct 31.†
Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva, Washington, Delhi (OpImmediate) from Ottawa, CCOS, DGPO, CGS, DND from Ottawa.

By Bag: Moscow, Phnom Penh, Vientiane, Hanoi from London.

VIETNAM – ICSC

I am in full agreement with your support for Polish Delegation in present dispute with South Vietnam. For reasons set forth in our telegram Y-598 to Washington, move of Commission to Hanoi under pressure is not being considered. You should continue to take available opportunities to explain to the RVN the dangers of the course they are taking. We are considering asking you to convey our views to Diem formally but will wait on action from Washington.

2. You will be interested to know that Laszcz, Polish Chargé d'Affaires, called at the Department October 30 on instructions from Warsaw to express thanks and appreciation of his government for helpful attitude of Canadian Commissioner over current difficulties of Polish Delegation. He suggested that these amounted to action against Commission as a whole; and asked what in our opinion was reason. While there was implication in his remarks that RVN might wish to see end of ICSC, he did not attempt to relate South Vietnamese actions to

possible strengthening of RVN forces and made no mention of USA. He expressed hope that we would be prepared to instruct you to make representations to President Diem.

3. We said that we did indeed regard difficulties of Polish Delegation as a matter of concern to whole Commission, just as we would regard any similar difficulties which might arise in DRVN. Candel's position on this had already been made clear to RVN authorities. While we were not sure that any further representations were necessary at this time, Polish request would be considered. As for background, it was as he must know a fact that RVN had for a long time been dissatisfied with inability of Commission for one reason or another to deal with RVN charges that assassinations and other acts disturbing public tranquility in South Vietnam were instigated and directed by DRVN. This dissatisfaction had reached present proportions as result of brutal Nam murder. It was our hope that Polish Delegation's present difficulties would be overcome and that ICSC would then be able to get down to business. Laszcz made no comment on this except to reiterate appreciation of his government for attitude of Candel and request that we consider urgently whether we could do more.

[HOWARD GREEN]

756.

DEA/50052-A-40

*Extrait d'une lettre de la Commission internationale
de surveillance et de contrôle pour le Vietnam
au sous-secrétaire d'État aux Affaires extérieures*

*Extract of Letter from International Commission
for Supervision and Control for Vietnam,
to Under-Secretary of State for External Affairs*

LETTER No. 245

Saigon, November 3, 1961

CONFIDENTIAL

MONTHLY REVIEW OF ACTIVITIES OF THE IC – OCTOBER 1961

A very critical stage in the existence of the IC was reached during October. Characteristically the difficulties faced by the Commission during this period did not arise from its activities but rather from its inactivity as viewed and interpreted by both the North and the South. (In the North we were criticized for not taking action on the alleged interference of the U.S. in South Vietnam and its violations of the Geneva Agreements.)

2. The most significant development for the Commission in its relations with the South was first the kidnapping of Colonel Nam, Chief of the Liaison Mission in Charge of Relations with the IC and then the discovery of his body showing that he had been tortured and murdered.

3. We were initially informed of the disappearance on October 3 in a note from the Foreign Minister which blamed the Viet Cong for sabotaging the activities of the IC and requested the IC to use its authority to obtain the release of Colonel Nam. Because of Polish intransigence and Indian reluctance to act without unanimity there was at first no Commission reaction or expression of sympathy, even on humanitarian grounds. The Canadian Delegation, however, on its own sent a letter to the Foreign Minister expressing its sympathy and hope that Colonel Nam would return safely to his home and position.

4. No action was taken by the Commission until October 16 when the 631st formal meeting was called at the instigation of the Polish Delegation to discuss the press campaign against the IC to which the Poles took strong exception, with the note of October 3 as an added reference. No agreement was reached as the Polish Delegation wanted to send a letter of protest to the GRVN about the press campaign while the Indian Delegation wanted to combine this protest

with an expression of sympathy and a request for evidence to support SVM allegations concerning the disappearance of Colonel Nam. The result was an adjournment of the meeting, which was not unfavourable to us as we could afford to wait.

5. On October 17 the Foreign Ministry again wrote to the Commission expressing surprise that "after more than two weeks since the Commission was officially seized with the case the Commission has not yet taken any decision before a so characterized act of provocation on the part of the Hanoi authorities." The GRVN took the unprecedented step of demanding to be informed within one week of the stand of the Commission regarding the measures taken against the Hanoi authorities.

6. Meanwhile, on October 17, the body of Colonel Nam, showing signs of torture, was found and identified and another Foreign Ministry note was received on October 18 with the details. At this point the Poles began to realize that their refusal to express sympathy had roused the indignation of the South Vietnamese and that the ugly climate could lead to violence. Only then did the Commission come to life as an organic body and the three Delegations agreed at an informal meeting to express deep sorrow and condolences to the Foreign Minister and the family of Colonel Nam. This did not assuage Vietnamese feelings, however, and ostensibly on the request of Madame Nam, the Poles were refused permission to pay their respects to the body of Colonel Nam during the evening of October 18.

7. At another informal meeting on that day the Commission agreed, after initial opposition from the Polish Delegation, to send another letter to the SVM requesting the Mission to furnish prima facie evidence in support of the allegations contained in the three above-mentioned Foreign Ministry notes so that the Commission could consider the case (see our telegram CCIC 4407 of October 18).†

8. A large state funeral was held for Colonel Nam on October 20 which senior Canadian and Indian personnel attended but from which members of the Polish Delegation were again deliberately excluded. Eulogies delivered at the grave made apparent that the régime has established Colonel Nam as a martyr against Communism. Then began the anti-IC and anti-Polish campaign of press comment and demonstrations which, despite repeated claims by the SVM that the reaction is spontaneous and uncontrollable, we have good reason to believe is government-sponsored and supported. This campaign has continued with varying intensity throughout the month. In all fairness, however, we must add that, aside from the discriminatory treatment meted out to the Polish Delegation since October 25 (non-provision of transport and household services), the anti-IC campaign has been well-ordered and has so far not gotten out of hand, although there have been threats which make the situation uneasy. The harassment of the Polish Delegation continues in spite of strong representations made on numerous occasions to the Foreign Minister by the Commission as a body, the Secretary-General, the Commissioners individually and the British and U.S. Ambassadors. The Canadian Delegation has itself made it clear to the Foreign Ministry and the SVM that the discriminatory treatment must stop if we, as a Delegation, are to do the best job possible and if the IC is to function effectively. We have been careful to point out that the onus for the Poles' departure, should they do so in the face of harassment, would rest unequivocally with the Vietnamese. We have also tried to avoid any precipitous action by the Commission which would make it difficult for either the Commission or the GRVN to withdraw gracefully from an extreme position. The Polish Delegation, for instance, insisted at a formal meeting on October 31 that the South be cited immediately for non-cooperation while the Indian Delegation wanted to send a strong letter of protest with a time limit demanding the restoration of services to the Polish Delegation. We were able to postpone both of these undesirable alternatives in the belief that the GRVN would forward a formal letter suggesting that the Commission leave Saigon and operate from the North, at least for the time being. Notice of this possible manoeuvre came

first with a long and well-written statement from Madame Nhu's Vietnamese Women's Solidarity Movement (see our telegram No. 206 and attachment).†

9. By November 3, however, the GRVN had still not revealed officially its policy regarding the Commission. The Commission meanwhile felt it necessary to send a letter to the SVM requesting that transport and other services be restored to the Polish Delegation.

10. During October four formal meetings of the Commission were held: the 629th, 630th, 631st and 632nd. Two of these meetings, the 629th and the 631st, were devoted to Operations and Freedoms items; the other two meetings were devoted to the Colonel Nam case and its repercussions. In addition to the formal meetings, five informal meetings took place as well as a number of informal discussions among the Commissioners.

11. The month saw only one personnel change in the departure of Mr. J. Tworog, Polish Alternate Delegation, on October 31.

12. Despite the clamor over the Nam case, plans to go to Hanoi on November 20 for two and a half weeks were not abandoned.

OPERATIONS ITEMS
CASES RELATING TO MAAG AND TERMS

Movement of US Military Personnel, 1956-57

13. This case was last mentioned in our report for January 1960. At that time a decision was taken to postpone discussion of the new evidence provided by the SVM on the grounds that the Indian and Polish Delegations required more time to study the SVM letter and its enclosures.

14. Our contention on the subject of arrivals and departures of American personnel prior to 1960 has always been that any figures arrived at as a result of a study of Weekly Team Reports are inadequate and unreliable since the controls conducted by the Commission during this period were insufficient to allow correct conclusions to be drawn. In this regard, the latest documents provided by the SVM, which consist of copies of official Pan American World Airways manifests, together with the photo-static copies of transportation requests applicable to the movement from Vietnam of seventeen U.S. personnel, in our opinion prove completely that the Weekly Team Report figures for 1956-57 period were inadequate.

15. At the 631st meeting the Polish Delegation attempted to get a violation of Article 16 recorded against the SVM on the grounds that the evidence produced by the SVM to account for the excess of 759 arrivals over departures was not satisfactory. They also attempted to get a procedural violation of Article 16(f) against the South on the grounds of unnotified arrivals and departures. On the other hand, we attempted to get the case closed on the grounds that the SVM had provided adequate proof that the figures reflected in the Weekly Team reports prior to 1960 were incomplete and therefore unacceptable as valid records of the arrivals and departures of U.S. military personnel during 1956-57. However, notwithstanding the inaccuracy of the Weekly Team Reports, this was a very difficult case to defend as the SVM had accounted for only a small portion of the excess arrivals over departures. Further, there was the matter of the Party failing to notify all arrivals and departures. Therefore a decision was taken to record a procedural violation against the Party on the grounds that the Mission had not complied with the provisions of Article 16(f). With regard to the question of actual numbers of arrivals and departures during this period, a decision was taken to refer this aspect to the Party and the reply, when received, to be considered by the Operations Committee. We attempted to get a three-month time limit, however, the best we could achieve was six weeks. The intention here is to have the SVM produce documents covering the total number of military personnel who had moved by civil airlines during the period under review. This is, of course, an extremely difficult task; further it is doubtful if the Mission will be able to produce

such evidence. The best we can do is stall for time in the hopes that the SVM will eventually be able to produce sufficient evidence to satisfy the Commission.

...

J. GREY

757.

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 3371

Washington, November 3, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel Y-598 Nov 1.

Repeat for Information: London (OpImmediate), NATO Paris, Paris, Laosdel Geneva (Priority), Delhi, Saigon (OpImmediate) from Ottawa, CCOS Ottawa, DGPO, CGS, DND Ottawa from Ottawa.

By Bag Moscow, Phnom Penh, Vientiane, Warsaw, Hanoi from London.

VIETNAM COMMISSION

At 5:30 November 2 I saw Alexis Johnson, Deputy Under Secretary of State for Political Affairs, to carry out the instructions in your reference telegram. By that time we had received Saigon's telegram 209 November 1† reporting that South Vietnam Foreign Minister had agreed to write to the Commission on November 1, formally requesting them to consider moving to Hanoi. Johnson informed me that USA Ambassador Nolting had just reported to the same effect by telegram. He also informed me that the State Department on November 1 had sent instructions to Nolting to make strong representations to the South Vietnam to stop its harassment of the Polish Delegation, which the State Department regarded such a policy as unwise at any time, and particularly at the present juncture. Johnson indicated that Nolting had received these instructions after learning of the proposed letter from the South Vietnam Foreign Minister to the Commission, but that Nolting would nevertheless carry them out. Johnson warned us that, as he was sure we were aware, the South Vietnam Government was not repeat not always "responsive" to USA views.

2. Despite these developments I registered the views in your Y-598 for the record and obtained Johnson's explicit and unqualified assurance that:

(a) the State Department continued to be of opinion that, in the general interest, the Commission should remain in Vietnam;

(b) the State Department accordingly considered that the South Vietnam should be persuaded to reverse its present attitude toward the Commission; and

(c) the State Department was exercising every effort in this direction.

3. Our discussion was hampered by the fact that the South Vietnam Foreign Minister had now, as we had just learned, taken formal action to request the Commission to move to Hanoi. Johnson did, however, agree that he would review the instructions sent to Nolting to see whether further instructions were desirable in the light of the Canadian views that had been presented to him and of the new development in Saigon. Although necessarily on speculative ground, we agreed that it seemed desirable as intimated in Saigon's telegram 209, to play for time whilst efforts were being made to persuade the GRVN to relax pressure against the Poles.

Nolting went so far as to suggest that the GRVN might even be persuaded to withdraw its formal note to the Commission, assuming it had been delivered. On the other hand, we both, I think, recognized that there might be something to be said for keeping further relations with the GRVN on this question in the formal realm of specific written communications, in preference to public demonstrations and covert pressure.

4. In my view Johnson's attitude, as indicated above, coincided with the Canadian position, as expressed in your telegram. He went even further on his own accord to say that if the State Department at any time came to the conclusion that the International Commission in Vietnam on balance no repeat no longer served a useful purpose, they would consult with Canadian authorities before any action was taken in consequence. On the other hand Johnson did make plain, apropos of the extent to which the GRVN could be influenced by USA, that the attitude of the Indian Delegation had not repeat not helped matters. For example when a deputation of South Vietnam officials had come to register a protest in connection with Nam's death, Naravane had treated them cavalierly and told them that if they had any protest to make to leave it in the box by the gate as they left. Johnson said there could be no repeat no doubt the death of Nam had very much upset the South Vietnam and this attitude on the part of Naravane did nothing to assuage their feelings.

5. Johnson went on to describe at some length the general internal situation in Vietnam. He said that it was deteriorating "quite alarmingly," especially on the military side. He summed up the implications of this by saying that somehow, if the situation were not repeat not to be lost, a "quantitative" change in the military balance was necessary. What was now being done was in his view not repeat not enough. Substantially new support was needed to reverse the trend. However, he specifically added that he was not repeat not suggesting that the introduction of USA combat troops would provide the answer. He said that General Taylor had not repeat not yet formulated any recommendations as to what might be done but he, Johnson, would be surprised if the general made any recommendation favouring the employment of Western forces. For the moment he simply wanted to share with us his "serious concern" over the situation and to note that "difficult decisions" might have to be taken.

[A.D.P.] HEENEY

758.

DEA/50052-A-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 3514

Washington, November 17, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 3498 Nov 16.†

SOUTH VIETNAM (POSSIBLE USA MEASURES)

In recent telegrams (particularly our 3474 Nov 11† and 3498 Nov [16] and other messages) we have reported fully on USA "thinking" on the situation in South Vietnam, and the measures they have in contemplation following the return of General Taylor.⁴⁵ The British and French missions here have both been officially informed along the same lines of the consideration

⁴⁵ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. I (Washington: United States Government Printing Bureau, 1988), Part IX.

being given to increased military and material assistance to the GRVN, and of the imminence of final decisions in this connection.

2. Although the numbers of men and the scale of equipment to be provided has not repeat not yet been settled, it seems certain that the levels contemplated under the Cease-Fire Agreement will be exceeded. It is our understanding that under present plans no repeat no USA combat forces are to be introduced into Vietnam, although this decision will be kept under review. No repeat no attempt will be made to disguise the extent and kind of the increase in USA assistance to South Vietnam.

3. USA programme is now likely to go forward quickly. There has already been a good deal of newspaper comment including references to the ICSC involvement. It is therefore important in my judgment that the USA should be fully informed of the Canadian attitude to these developments (which have now, as you know, been “in the works” for many weeks). It is particularly important that our position be made clear, since (as I reported by telegram to Under Secretary yesterday)† I have reason to believe that USA have the impression that both we and the Indians are disposed to be helpful in the new circumstances and that in the ICSC neither we nor the Indians would raise, but leave to others to do so, the question of the consistency or otherwise of the USA action with the 1954 Geneva settlements.

4. For these reasons I would strongly recommend that I be instructed to see the State Department as soon as possible to inform them of the position the government would expect Canadian representatives to take.

[A.D.P.] HEENEY

759.

DEA/50052-A-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 3528

Washington, November 17, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: My Tel 3514 Nov 17.

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva (Priority), Delhi, Saigon (Priority) from Ottawa, CCOS Ottawa, CGS, DGPO, DND Ottawa from Ottawa.

By Bag Moscow, Phnom Penh, Vientiane, Warsaw, Hanoi from London.

SOUTH VIETNAM – USA MEASURES

The Assistant Secretary of State for Far East Affairs (McConaughy) asked me to come in at 3:45pm [today] to tell me of proposed USA action pursuant to the Taylor mission's report. He said that USA allies in SEATO were being so informed and that Canada not repeat not only as a member of the International Commission in Vietnam but also as a close ally and friend was being informed concurrently. His chief purpose was to let us know that, subject to a request from the GRVN and certain undertakings by them (both of which were expected to be forthcoming), it was USA intention to expand the scale of USA assistance. He was emphatic that what was now involved was a change in the scale of assistance not repeat not a change in its nature; there was no repeat no present intention of introducing USA combat troops into Vietnam. USA action was not repeat not intended to be provocative and it was hoped that there would be no repeat no outright retaliation on the part of the DRVN and its allies. The measures contemplated would however involve the presence of uniformed USA personnel in non combat

operations against the Vietcong. One could not repeat not therefore be sure of the reaction of the other side and the possibility could not repeat not be ruled out that, as a result, an issue might arise for SEATO. In this connexion, he said that he had told the South Vietnam Ambassador that if the scale of Communist intervention were to rise, then the character of USA assistance would have to be reviewed in consultation with SEATO allies. He went on to say that Canada would in such case be consulted also, as a close ally and not repeat not just as a member of the International Commission.

2. McConaughy then listed the following as the main steps in USA programme which it was hoped President Diem would invite and approve:

- (1) Introduction into South Vietnam of more non-combat USA aircraft-helicopters, light reconnaissance and transport planes, these to be flown by regular USAF personnel to the extent necessary, though in no repeat no case in a combat role.
- (2) Assistance with air reconnaissance, including increased photo reconnaissance, both operations in which the South Vietnamese were deficient.
- (3) Provision of small craft for patrol duty in internal waters in the Mekong Delta where Vietcong operations were extremely difficult to counter.
- (4) Assistance in equipping, training and advising the South Vietnamese civil guard and self defence corps.
- (5) Improvement of both tactical and basic intelligence operations, including adoption of more up to date procedures.
- (6) Increase in the number of MAAG personnel with the intention particularly of extending guidance at unit levels in the South Vietnamese armed forces.
- (7) Increased economic aid both for ordinary civil purposes and for defence support (much of this for rehabilitation of the Mekong Delta in which for a short time only South Vietnamese military engineering facilities might be employed).
- (8) Employment of USA civilian advisers at both central and provincial government levels.
- (9) Joint USA/South Vietnam survey of civil government relationships in Vietnam both central and provincial, with particular emphasis on the latter as a means of encouraging an improvement in the morale and attitude of the population towards the central government.

3. McConaughy said that in return Diem would be asked to agree that the South Vietnam place itself on a basis of full mobilization for emergency, revitalize certain dormant agencies set up for this purpose and overhaul the military structure of the South Vietnam forces, particularly its command structure (which was too centralized in the hands of Diem). McConaughy said that USA regarded it as inappropriate to spell out in detail to Diem precisely by what means these reforms should be effected but the central purposes were quite clear, i.e. effective reorganization of the civil government.

4. McConaughy then went on to make the following points:

(a) Careful thought had been given as to how the proposed USA programme should be related to the official USA position in respect of the 1954 Geneva accords. It was recognized that the action planned would put USA assistance to Vietnam above the levels contemplated in the agreements. No repeat no effort would be made to justify the scale of USA assistance retaliation for violation by the DRVN. There would be no repeat no dissimulation but USA would make no repeat no public announcement or admission and would be noncommittal as to whether or not repeat not its assistance exceeded the levels provided for in the Geneva Agreements. It would be left to the other side to make what they could of USA actions. This was thought to be less embarrassing than to have USA friends faced with a USA admission that the Geneva Accords had been contravened.

(b) USA would however put out a full “bill of particulars” on the massive Communist violation of the Geneva Accords (William Jorden, formerly of the *New York Times* now on the State Department Policy Planning Staff, now had such a paper in preparation).

(c) USA felt strongly that their action should not repeat not be isolated and would encourage friendly countries to give economic and even military training and equipment (always short of combat forces) to South Vietnam.

(d) It was hoped that the Indians would see USA actions as justifiable in the critical circumstances and would not repeat not make difficulties in the International Commission. The Indians would very shortly be informed of USA plans.

(e) As to timing, McConaughy thought that a word from President Diem might be received within two or three days as to the acceptability of USA proposals. Thereafter, although USA supplies and equipment might be put in the pipe line immediately, it might be up to three weeks before the full range of USA assistance became effective and publicly known.

5. McConaughy then invited any comments or questions I might have. He said that, while USA wanted to give us the fullest possible information, I would understand that Canada was not repeat not being asked as a member of the International Commission to take official cognizance of this information.

6. I expressed appreciation to McConaughy for the very full information and explanations which he had provided. What he had told me had come as no repeat no surprise since we had been given all along extensive briefing by the State Department as USA thinking had developed. He recognized that our membership in the International Commission for Vietnam involved a special relationship to these problems. To some extent the Canadian position was necessarily ambivalent in the sense that while we could appreciate the serious situation which gave rise to the proposed action by USA we must have regard to our relationships and obligation in the Commission. This latter of course hinged on the extent to which the Commission was still regarded as having a valuable role. McConaughy hastened to assure me that it continued to be USA view that the International Commission did have such a role in present circumstances.

7. In response to my reference to the important position of India in relation to these developments, McConaughy expanded on USA assessment of the likely Indian reaction. While he could not repeat not say that USA had received any assurances as to what the Indians might do, he did think that, as a result of the recent talks with Nehru and Desai, the Indians understood better the reasoning behind USA intentions and policy re South Vietnam. Nehru during the visit had continued to take the line that Diem’s lack of broad popular support was the basic reason for the success of the Vietcong and would obviously prefer USA to put further pressure on Diem to effect reforms. But USA was not repeat not going to be doctrinaire and visionary in relation to such a problem at a time when the security and very existence of South Vietnam was in jeopardy. They hoped that the Indians would take a moderately benign attitude towards USA actions, contenting themselves with a relatively passive role and in any event avoiding action in the Commission which would actively embarrass USA. They could not repeat not however be sure that this would be the case although Partha Sarathy’s appointment as the new Indian Chairman was a hopeful sign. The information concerning USA intentions provided to Nehru and Desai during the visit had been only in general terms and the Indians might perhaps suffer some sense of shock when the precise magnitude of aid was disclosed to them.

8. Although without any special instructions, I urged McConaughy to consult the Indians at the earliest possible moment pointing out again that we regarded the Indian position in this whole situation and area and particularly the International Commission as extremely important. McConaughy appeared to take this point.

9. I then went on to ask McConaughy where he thought the present course of USA might lead if in fact the proposed assistance to South Vietnam should prove insufficient for its avowed purpose. He admitted that it was difficult to answer this question. He could only say that USA was committing its national prestige in this effort as a means of preserving Southeast Asia in the free world; the consequences of failure could certainly be grave.

10. As to the effect of planned USA action on the Geneva Conference on Laos, McConaughy agreed that this was a difficult question. He conceded flatly that if the planned scale of USA assistance were made immediately effective and public, it might be very difficult to achieve agreement with the Communists in Geneva. If however it was possible to get an agreement in Laos before there was an opportunity for the Communists to react to the new USA plans, the State Department was hopeful that it might be made to stick. Indeed it was thought that the action proposed in Vietnam might then have a salutary effect on the situation in Laos. In any event McConaughy assured me that USA was not repeat not slackening its efforts to achieve agreement in Geneva despite the complications which had already become apparent there. USA recognized signs that the Communists, especially Pushkin, were getting anxious about whether or not repeat not an agreement was possible. McConaughy then spoke along the lines of Harriman's representations to Ronning namely that it was highly desirable to finalize an agreement with the Communists without delay. In particular he was hopeful that we would find it possible to be flexible on one or two of the outstanding problems on which we had been (understandably) insisting on solid conditions for the effective operation of the International Commission in Laos. I simply reiterated our view that in the light of our difficult experiences in the International Commissions over the years we thought such conditions were necessary.

11. I drew McConaughy's attention to Reuters press report appearing in November 17 papers in which USA officials in Saigon were being quoted as foreseeing a crisis in relations with the International Commission as a result of present trend of USA policy. McConaughy fully agreed that this was most unhelpful. I had the impression that he would take action to forestall further such unfortunate comments which cut across the State Department's intentions as to the public position USA should maintain.

12. In general I would say that McConaughy gave us a very full and frank disclosure of USA plans and the thinking behind them and that he was sincere in seeking an equally frank reaction from us. I should be grateful if you would let me know as soon as possible what further views you would wish me to express to the State Department in response to McConaughy's communications to me.

[A.D.P.] HEENEY

760.

DEA/50052-A-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 3533

Washington, November 20, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 3528 Nov 17 and Candel Saigon Tel 227 Nov 16.†

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva (Priority), Saigon from Delhi, Delhi, CCOS, CGS, DGPO, DND Ottawa from Ottawa.

By Bag Moscow, Phnom Penh, Vientiane, Warsaw, Hanoi from London.

SOUTH VIETNAM – USA MEASURES

As a supplement to our reference telegram reporting on proposed USA assistance measures in Vietnam, we should add that from a further private conversation yesterday with Rostow of the White House Staff, we are sure that close attention will be paid here, and at a high level, to the Commission's action in connection with the various allegations and related documentation contained in the South Vietnam letter re Viet Cong activity to the Commission of October 24.⁴⁶ Rostow made it clear that some of the recommendations in the report of General Taylor (in which he had concurred) went a good deal beyond the measures decided upon of which we had been made aware by the State Department and which are summarized in paragraph 2 of our reference telegram. The reason for the decision at the highest levels here not repeat not to contemplate additional steps at this time, according to Rostow, was that it was deemed necessary to give diplomatic efforts and the international machinery now existing in the ICC a chance to assist in deterring the Vietminh from the large scale measures of infiltration and guerrilla warfare against the South in which they had been engaged for many months. (It was also clear that a number of the allies and friends of USA had counselled against the sending of any USA combat forces at this time.)

2. For this reason, Rostow said that early action by the Commission on this well-documented South Vietnamese complaint at the earliest possible stage was of the greatest importance. He pointed out that while the complaint referred to the Colonel Nam murder, it went far beyond this individual case and raised in specific form the basic problem with which South Vietnam is now confronted. If the Commission should not repeat not deal adequately and urgently with this matter, and if the situation should continue to deteriorate at the same rate as in recent months, Rostow did not repeat not preclude the possibility of further and more drastic measures being taken by USA.

3. We took the opportunity of explaining the Commission procedures in complaints of this sort and in indicating on the basis of our delegation's messages some of the reasons why there had been delays in taking up this important matter, including delays attributable to the recent pressures and demonstrations against the Commission in the South from which the South Vietnamese authorities could not repeat not be absolved.

4. We have noted from our delegation's message 227 of November 16 that our representative has informed the South Vietnam Liaison Officer that it would be most unfortunate if the South Vietnamese Government were to make it impossible to proceed with one of the most important cases which the Commission has had before it since its inception.

5. This message will have served its purpose if it underlines the fact that the view is strongly held here that the South Vietnam letter of October 24 and the subject matter with which it deals do in fact represent one of the most important issues with which the Vietnam Commission has been faced. It is also clear that the officials here concerned closely with the problems of Vietnam and Southeast Asia are hoping that the Canadian delegation will find it possible to expedite the consideration of the South Vietnamese complaint and publication of Commission findings as effectively and promptly as possible.

[A.D.P.] HEENEY

⁴⁶ Voir/See United Kingdom, Parliamentary Papers, Cmnd. 1755, *Special Report to the Co-Chairmen of the Geneva Conference on Indo-china* (London: Her Majesty's Stationery Office, 1962), pp. 5-6.

761.

DEA/50052-A-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 3534

Washington, November 20, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 3528 Nov 17.

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva (Priority), Saigon (Priority) from Delhi, Delhi, CCOS, CGS, DGPO, DND Ottawa (Priority) from Ottawa.

By Bag Moscow, Phnom Penh, Vientiane, Warsaw, Hanoi from London.

SOUTH VIETNAM – USA MEASURES

With reference to paragraph 7 of my reference telegram, I was able to confirm in a brief conversation with the Secretary of State on Saturday evening last, November 18, that USA did not repeat not feel that they had any assurance from the Indians that they would acquiesce in the new measures of USA assistance nor that they had in any sense agreed not repeat not to raise the matter in the International Commission. However Rusk did say (and this corresponds to what I was told by McConaughy) that, as a result of the Kennedy-Nehru conversations and the talks with Desai in Washington, USA authorities did think that the Indians had a better understanding of the problem of South Vietnam as the USA Government see it and might consequently be more disposed to avoid an attitude which would actively embarrass USA. Once more I emphasized our conviction that the Indian role in these matters was of major importance.

[A.D.P.] HEENEY

762.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*
au secrétaire d'État aux Affaires extérieures
*Commissioner, International Commission for Supervision
and Control for Vietnam,*
to Secretary of State for External Affairs

TELEGRAM 233

Saigon, November 23, 1961

SECRET. OPIMMEDIATE from Delhi.

Reference: Our Tel 231 Nov 20.†

Repeat for Information: Delhi, DM/DND, CCOS, DGPO, CGS, London, Washington, Paris, Laosdel Geneva from Ottawa.

By Bag Warsaw, Moscow from London, Vientiane, Hanoi, Phnom Penh from Saigon.

COLONEL NAM AND SUBVERSION

At Commission Meeting November 21 which opened discussion on Colonel Nam and subversion Poles confirmed forecast that they will use every device available for avoiding substantive argument and for delaying a decision on this case. We pressed hard for urgent investigation and immediate creation of special mobile team. Indians, while prepared to put

case through Commission procedures, did not repeat not show a real recognition of its importance and were more preoccupied with their own neutrality and preservation of traditional procedures of Commission than with finding an effective means of dealing with well-documented evidence supplied by South Vietnam.

2. Poles first tried to postpone Nam case until Commission visit to Hanoi (now indefinitely postponed because of Partha Sarathy's arrival) because of atmosphere of intimidation in Saigon. When this was rejected by Chairman they made their basic statement to effect that subversion in South was internal problem and not repeat not within competence of Commission. They flatly and cynically rejected all documentary evidence.

3. Indian proposal was for reference to Legal Committee with mandate to report whether South Vietnam allegations attracted any articles of Geneva Agreement. Indian proposal had no repeat no time limit and contained provision for unanimity in calling of witnesses. It was obvious to (us that?) Indians envisaged a long and drawn-out investigation in Legal Committee. Our counter-proposal called for an opinion . . . from Committee on whether South Vietnam letter contained prima facie evidence Commission asked for and whether this warranted taking next step for a team investigation. While these drafts were being discussed Polish Ambassador continued his negative approach in rejecting any action at all.

4. Indian and Canadian position finally met in a draft which called for Committee to determine whether evidence, prima facie, attracts any parts of Geneva Agreement and a three week time limit was set for report. Just before vote however Polish Ambassador interjected with a request for an adjournment in order to seek instructions from Warsaw. While this was obvious delaying tactic recognized as such by Chairman he was unwilling after . . . hours of discussion and out of Commission to take a majority decision on item and permitted an adjournment until November 20 with personal but not repeat not official assurance of Polish Ambassador that he would have instructions by then.

5. Prospects for achieving an investigation and decision on this important case are not repeat not bright. It may be expected that Poles will use every device to hinder and defy. Indians, unless they receive new instructions, will probably bend before Polish insistence on delaying procedures. Naravane told me before meeting that after Legal Committee reports, procedure should be to refer case to North for comment. If this happens it will be shelved for a year. We should I feel make every effort to avoid delay. I am commenting on this in a separate telegram. †

[F.G.] HOOTON

763.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 248

Saigon, November 27, 1961

SECRET. OPIMMEDIATE from Delhi.

Reference: Our Tel 235 Nov 24. †

Repeat for Information: London, Washington, Paris, Laosdel Geneva, DM/DND, CCOS, DGPO, CGS from Ottawa, Delhi.

By Bag Warsaw, Moscow from London, Vientiane, Phnom Penh, Hanoi from Saigon.

COLONEL NAM AND SUBVERSION

Naravane has now informed us that following Polish intervention in Delhi, Indel has received instructions permitting them to agree to reference of Nam case to Legal Committee without deadline. The only concession to urgency is a provision that the Secretary-General should report to the Commission after ten days or two weeks on progress made by Legal Committee. Naravane told me privately that his report would give Commission opportunity to return the whole case for discussion in the Commission if no repeat no progress is made but he has given no repeat no indication that Indel would support such a move in the Commission.

2. It is quite clear to us that if the Nam case goes to the Legal Committee with undated mandate it is likely to be shelved for months. On the other hand the procedural salami tactics which have been practised so far have left us with the choice of whether to avoid delaying further substantive consideration of the Nam case by agreeing to an obviously delaying decision or to hold up the substantive discussion and to attempt to get the better mandate or to hold up the decision by asking for an adjournment. A meeting is planned for November 28. We do not repeat not yet know what instructions Poles have received.

3. We do not repeat not wish to proceed with a decision on this important case without your instructions. At tomorrow's meeting if proposal along lines indicated above is put forward, we intend, in order to clarify the terms and stress the limited nature of the mandate to the Legal Committee, to instigate discussion on the meaning of prima facie evidence in terms of the subversion cases included in the Nam case. Our argument would be that the proposal to remove the deadline for the Legal Committee makes us doubt whether there is an agreed understanding in the Commission as to the meaning of prima facie evidence. If we are unable to provoke a discussion on the issue and if it is apparent that the Poles and Indians are prepared to take a decision we will ask for an adjournment in order to secure instructions. This will also have the advantage of enabling me to discuss the matter with Partha Sarathy who is due to arrive on November 29.

4. On the basis of our previous messages you may have discussed the Nam case in Delhi. It would be very helpful to have some indication through Canadian channels of the Indian position. We suspect that the Indians have felt it necessary to make concessions in return for an assurance of continued Polish participation in discussions on the Nam case. If this is a general policy the opportunity for Polish delaying tactics will be very great indeed. A more serious possibility, based purely on speculation, is that Nehru may wish to make it more difficult for the USA to take the final step of introducing troops if this should ever seem necessary to the Americans by avoiding a clear cut citation of the North on subversion.

5. If after discussion in Delhi it becomes clear that Indian position is firm, it is worth considering whether we should press the Secretary-General to report every two weeks to the Commission on progress in Legal Committee and with provision that this report should be a vehicle for returning to the Commission the individual allegations and evidence on which the Legal Committee has up to that time reached agreement. We might then take the position that the Commission should set up a mobile team to deal with the allegations as they come forward from the Legal Committee. This would be breaking new procedural ground and we might have great difficulty pushing it through.

6. It seems to us that our first objective should be to ascertain in Delhi the real intentions of the Indians and the basis and flexibility of their present position and that an effort should be made to persuade them of the consequences of their present attempts to appease the Poles. If they are adamant you might wish to consider the possible position suggested in paragraph 5.

7. If the Indians are adamant in supporting delaying tactics and if it becomes clear that the effect of their policy, if not repeat not its intentions, is to shelve the Nam case, it may be important to begin considering the possible consequences. There are indications that the South

Vietnam and other interested countries are likely in these circumstances to undertake a re-consideration of the general usefulness of the Commission and that the pro and cons of its continued operation may be closely examined.

8. Please send instructions as soon as possible.

[F.G.] HOOTON

764.

DEA/50052-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 Y-648

Ottawa, December 2, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tel 3599 Nov 27.†

Repeat for Information: Candel New York, Permis New York, Laosdel Geneva, London, NATO Paris, Paris, Delhi, Saigon from Delhi, CCOS, CGS, DGPO, DM/DND.

VIETNAM – USA MEASURES

In view of some of the remarks made to you, it may be useful to summarize our position concerning USA moves in Vietnam as guidance for further discussions in State Department.

2. (a) In respect of steps which USA may consider necessary, I have nothing to add to paragraph one of my telegram 2877 of November 23.† I realize that USA has important responsibilities in Vietnam in the setting of Southeast Asia and that it must make its own decisions on how best to carry out these responsibilities.

(b) Canada, on other hand, has responsibilities of a different kind arising from our membership in ICSC. Therefore, while we of course share with USA broad objectives for future of Vietnam and all Indochina, our comments on present situation are confined to Commission aspect. Following paragraphs should be read with that in mind.

3. Because the inter-action of developments in Vietnam, Laos and Geneva is an important factor in determining whole future of Commission structure in Indochina, failure or hopeless frustration in any one could have a serious effect on the others.

4. It seems to be generally agreed among governments – at least Western ones – that for time being, at least, there is a role for the Commissions; though there must be a, perhaps tacit, reservation that some degree of effectiveness is a condition to that conclusion. There also appears to be agreement on the particular importance of developments in Vietnam; and from the Western point of view the effectiveness of the Commission in Vietnam is likely to be judged in the weeks and months ahead by action it takes on subversion cases. Difficulty for us may well be to press Vietnam Commission into rapid and effective action on subversion question while at same time using delaying tactics on accusations of USA breaches of agreement. In pursuing one aim on which USA lays emphasis we would be exposing ourselves to having this record played back if we later attempted to use the same devices to delay Commission action on accusations of USA breaches. If RVN in frustration and exasperation were to revert to tactics recently employed against Poles, it would probably be impossible to make any progress at all in Commission.

5. Turning more directly to your recent conversations, the argument put forward in paragraph 3 of your reference telegram is not repeat not one we could make in Commission in support of proposed increases. DRVN violations may be both flagrant and notorious, but Commission has never been able to convict DRVN of these violations, and we would therefore have no repeat no firm base in Commission decisions from which to advance argument of this kind. Moreover, in last year's decision concerning MAAG increases Indian Chairman refused in unequivocal language to entertain argument of this kind as sufficient excuse for even relatively minor increases proposed at that time. (See excerpts from minutes of those meetings sent to you by bag.)

6. Even a sympathetic attitude on part of Canadian and Indian delegations could not repeat not lead to Commission decision justifying increase to level of French forces present in Vietnam at time of cease fire. Statements of Indian and Canadian delegations in 1960 effectively closed off this line of reasoning. You will recall that when RVN formally notified Commission in February 1960 that further increase in MAAG was being made it justified this increase in part by contending that interpretation of Article 17, by which RVN had been permitted to import war materials to replace arms destroyed or exported by French expeditionary corps, could be applied also to Article 16 relative to introduction of military personnel. In discussions between Canadian and Indian delegations at that time Indians told our delegation they were most disturbed by this argument and that they could never agree to it. They asked our delegation to make clear in its statement supporting increase that argument was not repeat not valid. Candel did so, and Indel then placed themselves on record in agreement with Candel statement.

7. Above considerations do not repeat not imply that we are not repeat not in sympathy with USA aims or that we do not repeat not recognize difficulties USA faces in present situation. However, Canada has assumed certain obligations under 1954 Agreements, and terms of this agreement, past decisions of Commission and statements of Canadian and Indian delegations on record represent a framework within which decisions of Commission in present circumstances must of necessity be formulated.

8. You may assure State Department we will do all we can to cooperate. In turn, however, USA must recognize difficulties and limitations of our position and must avoid placing us in situation where we would be faced with alternative either of voting against USA action or of taking position clearly in violation of CFA. If specific avowal by RVN of measures which would clearly be a violation of CFA could be avoided, if USA can refrain from official confirmation of measures that would be a violation, and if movement of personnel and material can be arranged in such a way as to avoid an explicit demonstration that terms of 1954 are being evaded, we believe it might be possible to forestall an unfavourable decision in the Commission. State Department should understand, however, that this is most they can expect; and they should realize Commission cannot repeat cannot make a positive declaration that measures are in accord with Geneva Agreement in view of violations by North.

[H.C.] GREEN

765.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 246

Saigon, December 4, 1961

SECRET. OPIMMEDIATE from Delhi.

Reference: Our Tel 243 Dec 1. †

Repeat for Information: Delhi, DM/DND, CCOS, DGPO, CGS, London, Washington, Paris, Laosdel Geneva from Ottawa.

By Bag Warsaw, Moscow from London, Vientiane, Phnom Penh, Hanoi from Saigon.

PARTHASARATHI AND NAM CASE

I had a long informal talk with Parthasarathi December 2 on Nam case and the Commission. My first impression of him was good – that he was both intelligent and competent and prepared to cast his mind beyond the detail of Commission.

2. It is clear, as already reported from Delhi, that Indians are prepared to investigate Nam case. Parthasarathi thinks there is a prima facie case and this should make possible a fairly quick determination in Legal Committee. With regard to the actual investigation he is thinking of a second reference to Legal Committee and does not repeat not see necessity of a mobile investigation, while agreeing that it was substance of investigation rather than its form which was important, I nevertheless stressed advantage of a special mobile team for reasons outlined below.

3. While convinced that there is a prima facie (case?) and that it should be investigated, Parthasarathi is less convinced that the investigation will throw up definite proof of Northern contravention of the Agreement. He wonders how it will be possible to prove authenticity of evidence, if Indians do not repeat not wish ultimately to cite North for violation of Agreement their line will perhaps be based on this point.

4. Parthasarathi said he was also worried about effect of Commission decision on Northern and Southern governments. Obviously if decision went against North and if they were cited their attitude toward Commission would be extremely hostile. On other hand if decision went against South their hostile reaction could be easily predicted. Parthasarathi claimed that he was not repeat not going to be influenced by these predictable reactions but it was nevertheless pertinent to think about them and to see whether there was not repeat not some way of ensuring and strengthening the future role of Commission. He made two other points which give a forecast on his intentions: (1) Investigation of Nam case must be developed with Polish cooperation. He was doubtful whether Commission or its bodies could legally function with a quorum of two; he seemed more certain that it should not repeat not be allowed to happen (2) Indian Delegation wanted to improve procedures of Commission but this would work both ways. They would be impartial in investigating Northern and Southern allegations. Implication was that USA reinforcement of South Vietnam would receive as careful attention as Nam case and perhaps be used to offset a possible decision against North.

5. I made following points to Parthasarathi: We regarded situation in Vietnam as potentially explosive and dangerous and felt Commission had a role to play in reducing tension. Procedures of Commission which had been allowed to develop over years had unfortunately reduced its effectiveness in dealing with urgent and important allegations. Nam and subversion case however presented a new unique opportunity to develop effectiveness of Commission as well as to relieve tension and shore up preventive aspects of Commissions presence.

6. In most previous cases allegations had been made by one party concerning actions which had taken place on territory of the other. In many of more important cases Commission, even when prepared to investigate, has found it impossible to do so because of lack of cooperation of party concerned. Nam case however presented possibility of an investigation on territory of country making the allegation. It dealt with an allegation that aggression had already taken place. This required priority consideration by Commission. I did not repeat not stress this point as Parthasarathi is still inclined to regard all allegations as equals.

7. With regard to his feelings that Commission could not repeat not function with a quorum of two, I said that I too felt that maintenance of Polish participation was important in long term interests of Commission but that this must not repeat not be interpreted by Poles as an automatic veto on investigations agreed by the majority. If this happened value of Commission would certainly be reconsidered by countries mainly concerned.

8. With regard to decision on Nam case I said that we recognized problems which would confront investigators. The case was complicated and varied and we might expect decision to be complicated as well. If however the evidence were proved we would see a citation against North. Form of citation would be for discussion. I agreed that action taken on Nam case should be taken with a view to development of the inventive aspects of Commission's presence in Vietnam. I threw out suggestion that one of advantages of setting up a mobile team for investigation might be to establish mobile team as a body ready to undertake investigation of any futile allegations. I stressed that investigation of an allegation in no repeat no way implied acceptance of its validity by Commission. Unfortunately this false idea had been used for delay in past (group corrupt) must be eradicated. I suggested that Parthasarathi think about possibility of including in Nam decision a provision for maintenance of a special mobile team for future investigations.

9. My assessment of the situation at present is that we can probably get ahead with an investigation of Nam case but that as it progresses there will be a danger if not repeat not a probability that all factors which have contributed to Indian hesitation in past will be brought into play. I therefore think that more forthcoming Indian attitude must still be taken with reservation and that we must at least foresee possibility that when a decision has to be made they will look for some middle course.

[F.G.] HOOTON

766.

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 3722

Washington, December 8, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 3706 Dec 6.†

Repeat for Information: London, NATO Paris, Paris, Candel New York, Permis New York, Laosdel Geneva (Priority), Delhi (Priority) from Ottawa, Saigon (Priority) from Delhi.

SOUTH VIETNAM – USA MEASURES; RELEASE OF USA WHITE PAPER⁴⁷

At 4:30 yesterday afternoon December 7, Assistant Secretary Harriman gave me copies of the State Department White Paper and indicated the general lines of the statement that Secretary Rusk would make at his press conference 10:30am today, December 8 introducing the paper to the public. He gave us to understand the press had already received copies under embargo against publication until December 8. The draft of Rusk's statement contained simply a reiteration of basic outline of the problem of Communist subversion in South Vietnam and referred to the Commission along the following lines: "The Government of the Republic of Vietnam has done what it could to make the situation (regarding subversion and similar activities) known. Vietnamese officials had often spoken out about the situation. It (the government) has reported in detail to the ICC in Saigon." Jorden, formerly of the *New York Times*, who compiled the paper was with us throughout our ensuing interview.

2. Harriman went on to say that Rusk had been briefed to make the following answers to potential questions:

(a) As to the state of agreement between USA and GRVN about increased assistance, Rusk would say that USA had "acceded" to the GRVN request for increased assistance in combating the Viet Cong. This increased assistance would terminate when the DRVN ceased its aggression.

(b) As to questions whether the levels of the Ceasefire Agreement would be exceeded by the increased USA aid, Rusk would, in effect, deflect such questions by referring to Communist violations of the Ceasefire Agreement as the central problem requiring attention. In this connection he would mention his hope that the ICC might find it possible to increase its patrols and continue investigation in response to the October 27 request of the GRVN (i.e. the October 24 letter, together with additional information provided on October 27).

3. Harriman said that USA position of remaining noncommittal about whether increased USA aid would exceed levels of the Ceasefire Agreement had not repeat not been taken without some difficulty: there were some in the State Department who had argued that USA should not repeat not dissimulate. Harriman made it clear that this was now a firm policy and (later in our conversations) that further deliveries of aircraft etc. to Vietnam would not repeat not be notified to the Commission.

⁴⁷ William J. Jorden, *A Threat to the Peace: North Viet-Nam's Effort to Conquer South Viet-Nam* (Washington: Department of State, 1961).

4. Harriman went on to say that he thought that when we read the report (we did not repeat not disclose our prior knowledge of it) we would be satisfied with it. He did not repeat not think that the references to the ICC would cause us any alarm, although he volunteered that the report had been prepared before his assumption of his present office and that he would have treated this subject quite differently. He then drew our attention to the main references in the White Paper to the ICC and invited my reaction.

5. Making it clear that I was speaking personally, I said that I would have no repeat no comment on the passing reference to the ICC in the introduction. As to the passage on page 24, however, (referring to the failure of the Commission to investigate cases of subversion and its inability to enforce effective control over violations), the White Paper seemed to me less than fair. Doubtless it had been prepared before the latest developments in the Commission; it failed to take account of the steps now being taken in Saigon to pursue investigations. Harriman fully agreed. I then went on to question the accuracy of the reference to the ICC's capacity to "enforce" the Geneva Agreements. Harriman broke in to agree emphatically and, turning in some warmth to Jorden, to say that it was of course obvious that the Commission did not repeat not have this power, that it could not repeat not control violations of the Agreements and that the passage in question was neither accurate nor a full statement of the facts; it should have been cleared by officials in the State Department who knew the facts (legal adviser) before it was approved for release.

6. During the balance of our discussion (Harriman having said that he would welcome my further comment), I drew attention to four points which I thought relevant to the White Paper's publication and its content:

- (a) current indications of a stiffening in the Indian attitude and improvement in the prospects for the Commission's dealing effectively with GRVN complaints;
- (b) the need to present a balanced and realistic account of the Commission's accomplishments and possibilities and to correct misapprehension of its role and capabilities;
- (c) timing of its publication in relation to the current situation; and
- (d) possible repercussions on the situation in Laos.

7. As to the first I said we thought the appointment of Parthasarathi as the new Chairman, the talks between Ambassador Galbraith and Indian officials in Delhi⁴⁸ and the earlier talks between President Kennedy and Prime Minister Nehru,⁴⁹ all seemed modestly encouraging. We believed that the Indian attitude in the Commission had already improved and that there was now a fair prospect that the interminable delays in the Legal Committee or in the full Commission in dealing with current issues could be limited. We thought it might even be possible that we could achieve concurrent action by both the Legal Committee and the full Commission in investigating GRVN charges if this course proved necessary. For these reasons we felt it important that nothing repeat nothing be said or done to make things more difficult for the ICC. Something might even be said to give the Commission a lift. Canada was not repeat not looking for either praise or sympathy; our only interest and concern was to get on with the Commission's business as a contribution to stability in the area and to do the best possible job.

8. Harriman did not repeat not dissent from my suggestion that there were encouraging signs. He hoped that we could keep in close touch on developments in the Commission's activities. As to Indian attitude, he mentioned that in an interview just before mine he had had no repeat

⁴⁸ Voir/See *Foreign Relations of the United States, 1961-1963*, Vol. I (Washington: United States Government Printing Bureau, 1988), document 313.

⁴⁹ Voir/See *ibid.*, document 218.

no reaction at all from the Indian ambassador.⁵⁰ However, he was aware of the important moral influence that Indian government could bring to bear in the Southeast Asian area, even though their reputation in both Laos and South Vietnam was not repeat not very high.

9. As to the general role of the Commission, I went on to say I hoped that Secretary Rusk might find it possible the following day in his press conference to put the references in the White Paper in the right perspective. As Harriman had himself said, the White Paper did not repeat not take account of the latest developments and seemed to me to leave an undesirable and unhelpful impression. I drew attention to the built-in difficulties in the Commission's composition which was essentially an early model troika. There had been wide misunderstanding of the terms of reference and function of the Commission and ignorance of its inherent limitations. For our part, we believed we had done our best in difficult circumstances and hoped that the State Department agreed. It was our clear understanding that the Commission was regarded and continued to be regarded by USA as having a useful role to play in the stabilization of the Southeast Asian area. I referred to earlier State Department confirmations to me in this sense.

10. Harriman fully agreed as to the continuing value of the Commission. He had the highest respect for the Canadian Commissioners and for the Government of Canada in this thankless task. He hoped that we could continue to take a vigorous line with the Indians in the hope that they too would be more vigorous so that the Commission would be able to do a more effective job. He agreed it might be helpful if Secretary Rusk were to take an opportunity to correct any false impressions about the Commission that might be derived from the White Paper. It might be wise not repeat not to volunteer anything; rather if he were asked a question at his news conference, Rusk might simply indicate that it was the State Department's understanding that action was now being taken in the Commission to investigate the GRVN complaints described in the White Paper.⁵¹

11. As to the timing of the White Paper's release, I said I was afraid that the members of the Commission in Saigon would take little comfort from its appearance at this juncture. I also drew attention to the possible repercussions on the current negotiations in Geneva on Laos. Harriman appeared to be sensitive to these points but simply said that the publication of the White Paper at this time was felt by USA to be necessary in view of the accelerating pace of guerrilla action in South Vietnam.

12. Finally, I took the opportunity to rehearse briefly for Harriman's benefit our earlier reaction to USA plans for increased assistance to South Vietnam. Namely that, consistent with our ICC role, we intended to be as helpful as possible in avoiding embarrassments for USA. I went on to point out, however, that if Canadian delegation found it necessary to employ delaying tactics on charges by the North Vietnamese, the prospects of prompt and effective action by the Commission on GRVN charges of subversion might well be reduced. I also drew attention to the difficulties that would arise if the Polish delegation were again subjected to the kind of South Vietnam pressure that had been applied in connection with Colonel Nam's death.

13. At the end of our conversation I had a brief exchange with Harriman on Laos which I shall report in a separate telegram.†

[A.D.P.] HEENEY

⁵⁰ Voir/See *ibid.*, p. 725.

⁵¹ Pour une transcription de la conférence de presse donnée par Rusk, voir *Department of State Bulletin*, Vol. XLV, No. 1174, pp. 1053-59.

For a transcript of Rusk's press conference, see *Department of State Bulletin*, Vol. XLV, No. 1174, pp. 1053-59.

767.

DEA/50052-A-40

*Le commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam
au secrétaire d'État aux Affaires extérieures*

*Commissioner, International Commission for Supervision
and Control for Vietnam,
to Secretary of State for External Affairs*

TELEGRAM 254

Saigon, December 12, 1961

SECRET. OPIMMEDIATE from Delhi.

Reference: Our Tel 246 Dec 4.

Repeat for Information: Delhi, DM/DND, RRAS, CGPO, CGS, London, Washington, Paris, Laosdel Geneva from Ottawa.

By Bag Warsaw, Moscow from London, Vientiane, Phnom Penh, Hanoi from Saigon.

NAM AND SUBVERSION CASE

In Legal Committee we have had excellent cooperation and help from Mukhi, new Indian Chairman, and have experienced clumsy but quite effective delaying tactics from Poles. Net result so far is only partially encouraging.

2. Mukhi has begun work by listing all allegations in letters and enclosures submitted by South Vietnam. Even this process is not repeat not yet completed but he expects to assemble a total of eighty allegations. At a later stage Mukhi will agree to drop a number of these allegations and to link what remains with evidence. We are pressing for a much more simplified list of allegations with an eye of making ultimate investigation easier.

3. Poles have been up to their old tactics of not repeat not attending meetings, refusing to work on weekends, insisting on sending their legal advisers to Hanoi if Commissioners goes he is their political adviser as well [sic]. Mukhi has taken up a robust attitude toward Poles and has politely informed them that if they absent themselves Canadian representative and he will continue to meet. Whether there will be official meetings or unofficial working consultations has not repeat not been made entirely clear. Mukhi's attitude however reinforces all evidence we have had to indicate that Indians are at present on side of angels.

4. I (Group Corrupt) we can manage to get through first stage of assembling allegations and deciding that there is a prima facie case without too much difficulty although there may be delay.

5. For investigation stage, it would be helpful however if Legal Division could study evidence which has been presented and send us their detailed views on how best to approach problem of verifying it. Practical problems we expect to be faced with are, for example: How does one verify a diary? If it is possible to verify some of evidence in diary form (i.e. if Indians accept its verification) we shall probably be able to cite North under Agreement. If there is a measure of doubt we shall presumably have to find a form of words which will avoid explicitly (Group Corrupt) North but might perhaps express a majority Commission view that evidence was "probably" correct. Other types of evidence may present similar problems. It would be helpful to have advice and examples of decisions which other international commissions have taken on important cases (i.e. Lumumba case) when evidence has been almost but not repeat not quite incontrovertible.

[F.G.] HOOTON

768.

DEA/7266-P-1-40

*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 4463

London, December 12, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: Paris, Washington (OpImmediate), Candel New York, Laosdel Geneva, NATO Paris, Delhi (Priority), Saigon (Priority) from Delhi, CCOS Ottawa, CGS, DGPO, DND from Ottawa.

By Bag Moscow, Warsaw, Phnom Penh, Vientiane, Hanoi from London.

SOUTH VIETNAM: USA ASSISTANCE

Foreign Office called us over late this afternoon to say that British Embassy Saigon had informed Foreign Office that South Vietnam government told USA Embassy that on afternoon December 9 South Vietnam government had sent note to ICSC to effect that in view of continued and mounting aggression by North Vietnam, South Vietnam government has asked USA for further assistance⁵² which USA have undertaken to give. Foreign Offices are concerned that this letter following publication of Jordan report and shortly preceding very visible arrival of helicopters in Saigon December 11 might make it difficult for ICSC not to consider officially soon USA aid measures especially as DRVN complaints about new equipment would doubtless come flooding in. Press reports indicated that helicopters marked USA army could be seen from Saigon streets as aircraft ferry sailed along Saigon River.

2. Foreign Office is raising with State Department this Foreign Office concern and asking USA views about how they think West should handle the situation and what consultations they have had with Canadians and Indians about ICSC position. Foreign Office would be very grateful to hear your views on ICSC picture now that new USA military equipment and personnel are visibly entering South Vietnam in quantity. Foreign Offices are rather worried about their own position as Co-Chairman in this situation.

769.

CEW/Vol. 3175

*Note du ministre de l'ambassade aux États-Unis
pour l'ambassadeur aux États-Unis*

*Memorandum from Minister, Embassy in United States,
to Ambassador in United States*

SECRET

Washington, December 13, 1961

VIETNAM

The following are current or imminent developments.

(a) Indictment of Northern Vietnam for violating the Cease-Fire Agreement is being massively established (White Paper, Rusk statement, etc.);

⁵² Voir/See United Kingdom, Parliamentary Papers, Cmnd. 1755, *Special Report to the Co-Chairmen of the Geneva Conference on Indo-China* (London: Her Majesty's Stationery Office, 1962), p. 8.

(b) United States military aid to Vietnam is being rapidly accelerated;

(c) Although no official notification to ICSC of this increase is contemplated, the Western press is publishing credible details with no official denials from any source;

(d) The increase is being justified in public, and prospectively through the GRVN letter to the Commission, by reference to prior violations by North Vietnam.

2. We have been hopeful that the Commission might take early and effective action about violations by the North, particularly in respect of the Nam case and subversion in general. This is now being actively pursued. The Indian position will be of critical importance.

3. In connection with increased military imports by the South, in excess of current ceilings under the Cease-Fire Agreement, we have sought to alert the State Department to the difficulties with which the Canadian Delegation and the Commission will be faced. It has been our hope that, consistent with our responsibilities in the Commission, it would be possible to avoid action in the Commission embarrassing to the U.S. We made it clear, however, that the possibility of doing this would depend upon:

(a) The Indian attitude;

(b) The extent to which the Commission is presented with "irrefutable evidence" of contravention of the Agreement;

(c) The adoption of a "non-committal" public attitude as to the scale of assistance;

(d) The avoidance of attempts to justify the scale of assistance as retaliation for violations by the North;

(e) The importance of under-playing publicity connected with the proposed increase in aid;

(f) The need to maintain as much as possible of the prestige and effectiveness of the Commission, both with Vietnam and also with Laos in mind.

It was made clear to the State Department that "we would have serious reservations about instructing the Canadian Delegation to take in the Commission a position manifestly in contradiction with the Cease-Fire Agreement."

4. In Ottawa's instruction Y648 of December 2, an argument was presented vigorously that the U.S. must seek to avoid placing us in a situation where we would be faced with the alternative either of voting against the U.S. action or taking a position clearly in violation of the Cease-Fire Agreement. This instruction may be summarized as follows:

"If specific avowal by RVN of measures which would clearly be a violation of CFA could be avoided, if U.S. can refrain from official confirmation of measures that would be a violation, and if movement of personnel and material can be arranged in such a way as to avoid an explicit demonstration that terms of 1954 are being evaded, we believe it might be possible to forestall an unfavourable decision in the Commission. The State Department should understand, however, that this is the most they can expect; and they should realize the Commission cannot make a positive declaration that measures are in accord with the Geneva Agreement in view of violations by the North."

5. It seems obvious from 1 (b), (c) and (d) that it may prove difficult to avoid a citation by the Commission of the United States and South Vietnam for violation of the Agreement. Assuming the Commission makes progress in investigating charges against the North, what would be the United States reaction if such a citation were made?

6. On the other hand, such a citation might:

(a) Lead to increasing doubt about the applicability and effectiveness of any of the provisions of the Cease-Fire Agreement and the virtual cessation of Commission activities, except perhaps in relation to maintaining a "presence" in Vietnam capable of detecting open hostilities;

(b) Add to the likelihood that the GRVN, in the absence of a citation against the North for subversion, would revert to pressure on the Polish Delegation, resulting in effect in pressure on the Commission as a whole to leave;

(c) Lead to a decision by the Commission to refer to the Co-Chairmen, the question of violations or of the continuing validity of the agreement as a whole, with the possible consequences that pressure would mount for a Geneva Conference on Vietnam.

7. It would be most helpful to clarify:

(a) The intentions of the U.S. and South Vietnam with respect to "notification";

(b) The legal basis on which the U.S. authorities are proceeding in adhering to the view that because of the violations of the Agreement in the North, the South Vietnamese (and the U.S.) are not bound by the provisions of the Agreement dealing with imports of military manpower and material.

8. Does the State Department have any recent information as to the position which the Indians are likely to take on (a) the violations from the North; (b) the increasing military imports in the South?

S.F. R[AE]

770.

CEW/Vol. 3175

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 3776

Washington, December 14, 1961

SECRET. CANADIAN EYES ONLY. PRIORITY.

Reference: Our Tel [3762] Dec 13.†

By Bag Saigon from London.

SOUTH VIETNAM – COMMISSION'S ROLE

As you are aware from our reference telegram, we have been impressed by the views of our delegation in Saigon on the best procedural framework in which to handle the present turn of events in South Vietnam insofar as the Commission is concerned. We also agree on the wisdom of keeping the Commission engaged actively on the Nam case and subversion generally. It seems to us, however, that early progress on the subversion issue will at best be difficult and will be further complicated by the quickening pace of events in Vietnam, in particular the substantially increased and conspicuous USA deliveries of equipment and the introduction of USA uniformed personnel. We seem indeed to be facing a crisis in the history of the Commission because it has now become clear that a major element in the Cease-Fire Agreement, the prohibition against the importation of man and material has ceased for the present at all events to have much meaning. The implications of this for the remaining functions of the Commission may be considerable. We thought, therefore, that it might be helpful to set out some views as from Washington on the longer-term future of the Commission.

2. Assessment of the Commission's future can usefully be made from the following points of view: (a) deterrence or direct hostilities; (b) deterrence of indirect intervention by the North; (c) conciliation of North-South differences. Our view would be that one or more of these purposes would be served by the pursuit of a more active role on the part of the Commission,

notably in the direction of increased patrolling and surveillance, greater attention to publicizing the Commission's findings and expanding the Commission's representation in the DRVN.

Direct Hostilities

3. It is obvious that the mere existence of the Commission in Vietnam, even in the present situation when its functions may have been pared down below that contemplated in the Cease-Fire Agreement, will continue to pose an obstacle to resort by either the North or South to open warfare. We have no repeat no evidence to support any suggestion that an actual invasion is planned by either side although the State Department inform us that they have apparently reliable reports that the DRVN has now stationed two battalions in the area just North of the demarcation line and that there is some indication that the DRVN may be increasing its air arm. Neither of these developments however can be accepted as an unequivocal indication of aggressive intent. Furthermore, our impression is that the DRVN would see no repeat no value in direct action at the present juncture, when it is already engaged in support of the Pathet Lao and when its indirect intervention in South Vietnam appears to be so successful. Nevertheless, as State Department officials have on occasion remarked to us, the presence of an international body in Vietnam will continue to have deterrent value should the North show signs of wanting to resort to open force. For this reason alone we should think it wise that every effort be made to maintain and strengthen the Commission's standing and effectiveness.

Indirect Intervention

4. The deterring of indirect intervention would seem to involve three areas of Commission action; investigation of subversive activities in the South, increased surveillance, and quicker and more effective publicity for Commission reports and activities.

Investigation and Surveillance

5. As a result of the GRVN letter of October 24, the ICSC is already seized of an important problem of subversion and covert activities in South Vietnam. Because of the clandestine nature of such activities, however, it seems obvious that in a great many instances the Commission will be able to do no repeat no more than pass a retrospective judgement about what has happened. This may have some deterrent effect, but probably very little, given the already complicated and vulnerable situation in South Vietnam, both from the military and the political point of view. It might therefore be useful to review the history of the Commission's operations in Vietnam to see whether there is any prospect of increasing its capacity to extend surveillance of traffic across the borders of South Vietnam. While such surveillance as the Commission might provide might not repeat not in itself put a stop to such traffic, it would we think tend to reinforce the deterrent effect of other Commission activities and in any event serve to contain the problem in South Vietnam within limits and so offer some prospects of success to the GRVN in its drive against the Viet Cong.

6. You will already be aware that this problem has not repeat not been overlooked by the State Department. Our impression is that Assistant Secretary Harriman had this problem in mind in our discussion with him on December 7 (see paragraph 2(b) of our telegram 3722 December 8). The Vietnam desk has also intimated that this problem deserves serious attention. As indicated in our telegram 3635 November 30,† there is reference to the possibility of despatching an investigation group into the demilitarized zone. In paragraph 6 of Candel Saigon telegram 252 December 9,† there is reference to requesting the Commission to undertake an inspection of the Laos border area. Finally, on two recent occasions, the Vietnam desk has mentioned patrolling the demarcation line at the Seventeenth Parallel. (From these conversations it appears to be the view of State Department officials that proposals of some two years ago for increasing patrols along the demarcation line fell through because the DRVN

refused to make liaison officers available without entry permits issued by the South to the demilitarized zone these the South was not repeat not prepared to give.)

7. We realize that operations aimed at a cordon sanitaire under Commission auspices might prove expensive, both in personnel and equipment. The past history of the Commission in South Vietnam also suggests that there might be resistance on the part of the GRVN. Nevertheless the increasing gravity of the internal position in South Vietnam might have effected a change in their outlook. Also it seems to us that at a time when the provisions of the Cease-Fire Agreement prohibiting the introduction of men and material may be on the point of losing their significance, the scope for Commission action will increasingly centre on reducing to the maximum extent possible the sources of friction between the North and South. Furthermore, in the light of charges and counter-charges between the North and South about their aggressive intentions, it would seem very difficult for either the North or South seriously to question the reasonableness of increased patrolling under Commission auspices aimed ostensibly at preventing traffic over borders in either direction.

Reporting etc.

8. In addition to reviewing the Vietnam Cease-Fire Agreement with the objective of setting forth the parts of the Agreement on which the Commission can carry out its essential remaining tasks in the period ahead, some attention should be paid in any general review to the adequacy of the Commissions past and current procedures for reporting to the Co-Chairmen, and for publicizing its activities.

9. In connection with the preparation of such interim reports, while certain matters may lend themselves to treatment by the Commission on the basis of unanimity, matters of principle have arisen and will continue to arise on which majority reports on a Canadian-Indian basis, or if necessary a minority report on a Canadian basis, must be seriously considered.

10. Our impression is that the preparation of interim reports to the Co-Chairmen have covered unduly long periods in the past. In the future, efforts should be made both to encourage more [frequent] reports to the Co-Chairmen and at the same time to expedite the public release of Commission reports.

11. Such efforts might be supplemented by arranging for more extensive publicity to be given to such reports when the Co-Chairmen have approved their release. This might be done, for example, by additional statements or press releases in Ottawa, and by supplementary efforts in Washington and other capitals involved. From a publicity point of view, the Commission's activities have been wrapped in "cotton wool" for too long a period.

12. It would also be of interest, in consultation with our delegation in Saigon, to obtain the delegation's comments on the local arrangements for contacts between the Commission and the press in the course of the Commission's work. Our recollection is that such contacts were primarily, if not repeat not exclusively, in the hands of the Indian Chairman, and that very frequently there was little or no repeat no opportunity to provide Canadian perspectives on matters before the Commission. In the period we are now entering, a greater effort might be made on Canadian behalf to ensure that our views on contentious matters are given hearing. Even if this should prove to be difficult on the spot (and we recognize the problems), official statements or replies to questions in the House provide an alternative method for focussing public attention on the larger matters before the Commission and the Canadian position.

North-South Conciliation

13. One further suggestion which might be considered in any general examination of the Commission's role is the need for creating a better balance between the Commission's presence in South Vietnam and in the North. Now that the pressures on the Commission to transfer its activities to Hanoi have been reduced in intensity, this question should be looked at

again with a view to strengthening the Commission's presence in the North. When the Commission originally had its headquarters in Hanoi it worked, as it continues to do today, under conditions of the greatest difficulty and with many obstructions and impediments to its free functioning. At the same time, however, there were instances when, through private exchanges and discussions with the DRVN leaders in the North, limited but successful efforts in some fields were made to facilitate the Commission's tasks. If the Commission were more strongly represented in Hanoi than it is at the present time, its opportunities for influence on the Viet Minh leadership, though limited, would be greater than they are at present, and it might act as a more effective deterrent to Northern violations of the Cease-Fire Agreement. We are of course conscious of the equal need, if the Commission's present difficulties are overcome, for obtaining support and facilities from the GRVN for the Commission's continued role in the South.

14. The above suggestions are forwarded in the hope they will be useful in departmental examination of this matter. We did not repeat not think it desirable at this stage to circulate this message to list or regular addressees (although we are marking it for Hooton).

[A.D.P.] HEENEY

771.

CEW/Vol. 3175

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

TELEGRAM 3790

Washington, December 15, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 3762 Dec 13.†

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva (Priority), Saigon (OpImmediate), Delhi (Priority) from Ottawa, DND, CCOS, CGS, DGPO Ottawa from Ottawa.

SOUTH VIETNAM – COMMISSION'S ROLE

I had an interesting and I think useful forty-five minutes with Governor Harriman today December 15 to review with him in exploratory fashion the prospects for helpful action by the ICSC in present circumstances in Vietnam.

2. To summarize very briefly Harriman indicated following elements in USA position:

(a) Desire that we press in the Commission for parallel and related consideration of prior allegations against the North and anticipated imminent allegations against the South on the basis of increased USA assistance;

(b) Hope that any Commission response to South Vietnam letter of December [9], 1961 should not repeat not attempt to elicit precise information as to scale and type of increased USA assistance and that the Commission accept response from South Vietnam on general lines, basing alleged Northern violations of CFA under investigation as essential background to South Vietnam exercise of self-defence rights;

(c) As an adjunct to this last, maintenance of present USA (and South Vietnam) intention not repeat not to notify Commission of specific arrivals of men or equipment;

(d) Request that we do everything possible to have Commission accede to requests (shortly to be submitted by South Vietnam) for increased patrolling of important areas;

(e) Reaffirmation of USA view that Ceasefire Agreement should be regarded as continuing in force (subject to the obvious inapplicability of prohibitions against introduction of troops and equipment), and that ultimate objective should be a resumption of full observance of the CFA;

(f) Reaffirmation of USA view that the Commission continues to have a useful role in present and anticipated circumstances, particularly in connection with subversion charges and increased patrolling;

(g) Undertaking to remind South Vietnam of need for cooperation with the Commission and in particular in the provision of information and abstention from harassment of Polish delegation.

3. Harriman welcomed our raising with him the problems of the Commission in relation to the new situation. As our discussion proceeded, it was clear that the State Department had well developed views, summarized above, on many of the points considered in various recent telegrams on this subject, especially those from our delegation in Saigon. It was, therefore, unnecessary for me to expand at any length on our own approach, although I did categorically (a) stress the need for South Vietnam cooperation with the Commission (2(g) above); (b) seek reaffirmation of USA and SVN intention to avoid specific notifications to the Commission (2(c) above); and (c) invite confirmation that, in USA view, the Ceasefire Agreement should be regarded as of continuing effect to the extent possible (2(e) above). I also said that it might well be that our initial reaction in the ICC to the well publicized arrival of helicopters and crew in Saigon and the SVN letter of December [9] might be to seek "clarification" from the SVN.

4. Harriman said that he hoped Hooton would understand that it was the firm USA and SVN intention not to repeat not to "get into the numbers game" as regards details of USA assistance. He hoped that the Canadian delegation could take the position that, because of the public nature of USA response to the SVN's request for increased assistance, there was no repeat no need for the Commission to report such a notorious fact; rather the Commission should address itself to the question whether this admitted USA increased assistance was justified on the grounds advanced by the SVN i.e. the massive subversion from the other side. In this connection Harriman drew our attention to the exchange of letters between President Kennedy and President Diem (texts in a following telegram).[†] This exchange of letters had been made public early today⁵³ and would clarify the basis on which USA and SVN governments were acting.

5. Harriman went on to say that it had been hoped in the State Department that the delivery of helicopters could have been less obtrusive. There had been a divergence of opinion on this question, with the State Department holding the view that the publication of the President's letter would be sufficient for the purpose of SVN "morale building." However, for physical reasons it seemed that the helicopters had to be introduced openly in Saigon (he referred to the fact that other unloading facilities were not repeat not available). He went on to say that more helicopters would be delivered in January and that transport aircraft would also be flown in. It was the intention to be as unostentatious as possible in making these further deliveries. However, in the case of the deliveries on December 11, it had proved impossible to avoid some show, and since the world had been told about it, it might be that there would be some advantage in terms of bolstering SVN morale.

6. It was at this point that I expressed the hope that the new USA deliveries and the SVN letter of December [9] would not repeat not be treated as a repudiation of the rest of the Ceasefire Agreement; the existence of the Commission and continuation of its functions had to have legal foundation, Harriman agreed that the levels contemplated in the agreement for USA

⁵³ Voir/See "U.S. Will Increase Help for Vietnam," *New York Times*, December 15, 1961, pp. 1, 5.

assistance could no longer be regarded as binding; except in this particular however, the agreement would be regarded by USA as continuing in force. It was USA view that the ultimate objective should be to bring back the DRVN to full observance of the Ceasefire Agreement and even to effect, if possible, a strengthening of the Geneva Accords. He said that a precise statement of this objective had been included in an earlier draft of President Kennedy's letter to President Diem. Its omission from the final version was not repeat not however significant and this continued to be USA goal.

7. In two subsequent messages, I will be reporting further upon my conversation with Harriman with particular reference to his views on the possibility of a "Geneva Conference" on Vietnam and prospects for the next meeting of the three Lao Princes.

[A.D.P.] HEENEY

772.

DEA/50052-A-13-40

*Le secrétaire d'État aux Affaires extérieures
au commissaire de la Commission internationale de surveillance
et de contrôle pour le Vietnam*

*Secretary of State for External Affairs
to Commissioner, International Commission for Supervision
and Control for Vietnam*

TELEGRAM Y-677

Ottawa, December 21, 1961

CONFIDENTIAL. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Your Tels 258 Dec 16, † 257 Dec 15 † and our Tel Y-666 Dec 14. †

Repeat for Information: Delhi, London, Washington, Paris, NATO Paris, Laosdel Geneva, DM/DND, CCOS, CGS, DGPO.

By Bag Warsaw, Moscow from London, Vientiane, Phnom Penh from Saigon.

SOUTH VIETNAM – USA MEASURES

Our general attitude of sympathy for broad USA objectives in Vietnam and of concern about dilemma with which these measures may face us in Commission was indicated in our telegram Y-648 December 2.⁵⁴ We think USA policy of avoiding formal notification of specific numbers is likely to ease our difficulties in Commission, and we hope that South Vietnam will not reconsider their present attitude in this regard. We remain concerned however about precision of details being supplied to press in Saigon. While we recognize that this publicity is probably intended to deter DRVN and encourage RVN (and to strengthen public support in USA), it seems to us likely also to facilitate presentation to Commission of incontrovertible evidence that CFA is being violated and hence to increase difficulty of avoiding a citation against SVN. Such a citation, if decided without regard for reasons for USA measures, could of course give grossly false impression with which we would not wish to be associated.

2. While fully recognizing that USA aid is sent to compensate for already large DRVN intervention in RVN, we consider that as member of ICSC we are obliged to do what we can to preserve the ICSC for as long as it can perform a useful role and to protect budding settlement for Laos. It would not seem best course in these circumstances to resort simply to argument that a breach by one side justifies a breach by the other. To use that argument would in our

⁵⁴ Voir/See document 764.

view come very close to admitting that CFA no longer has applicability or relevance to present situation in Vietnam and might well reduce to zero any deterrent influence which existence of CFA and ICSC may still have on DRVN.

3. You will recall that when we argued in April 1960 that MAAG increases at that time were made necessary by DRVN campaign of subversion, Indian representative countered that while these reasons might be of importance to parties, they could not provide sound criterion for a decision, which must be based strictly on provisions of CFA. While we would not wish to jeopardize apparent willingness of Indians in recent weeks to move rapidly on subversion cases by pushing them too far, their attitude does seem to justify a serious effort to determine whether they would in practice be prepared to modify stand they took in April 1960.

4. Direct Indian reversal cannot of course be expected, but we think it might be possible with some prospect of success to press argument that consideration of Nam and other subversion cases and consideration of USA reinforcement cases must proceed *pari passu* and that decision on one group must not be taken without decision on other group. We are glad to note from paragraph 7 your telegram 257 December 15† that this is general line you have been taking with Parthasarathi. At this stage it would seem unwise to indicate to him that any thought is being given to possibility of a Canadian minority report, although we would see no objection to your beginning preparation of such a report as suggested in your telegram 252 December 9. † It may be that best we can hope for is parallel handling of cases, presumably with special report to Co-Chairmen as final stage in process.

5. On question of early visit by Commission to Hanoi, you will of course have to be guided by local developments including views of Parthasarathi. While we have some reservations about practicability of Commission influencing developments these (having in mind particularly pressures to which Indians would be subjected) we recognize that visit has already been deferred and that you have not yet had opportunity to make official calls on DRVN authorities. Parthasarathi's concern lest visit delay subversion cases is encouraging, and would presumably prevent undue prolongation of visit.

[H.C.] GREEN

773.

DEA/50052-A-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 3804

Washington, December 16, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 3790 Dec 15.

Repeat for Information: London, NATO Paris, Paris, Laosdel Geneva (Priority), Saigon (OpImmediate), Delhi (Priority) from Ottawa, DND, CCOS, CGS, DGPO Ottawa from Ottawa.

VIETNAM: LONGER TERM PROSPECTS; HARRIMAN'S VIEWS

Later in our conversation of December 15 we looked beyond the immediate future. Harriman said that President Kennedy definitely wanted to maintain the objective of free elections throughout Vietnam, as contemplated in the original Geneva declaration, although there was full recognition that in present circumstances in North Vietnam such a thing was impossible.

2. I then raised with Harriman the possibility that Commission consideration of the pending charges against the North, and now the South, might lead to a reference to the Geneva Co-Chairmen and even to pressure for a new conference on Vietnam. What would he think of such developments?

3. Harriman replied that no repeat no one on USA side was keen on a conference on Vietnam but that the Secretary of State was discussing future possibilities with the British Foreign Secretary in Paris this week. He was not repeat not sure of the exact character of what Rusk would be putting to Home but he thought it would include a suggestion that the Co-Chairmen might explore informally the prospects for a cessation of the fighting in Vietnam. The formula developed at Geneva for Laos, viz. to give the Co-Chairmen a specific role in seeing that the agreement was carried out, might provide a useful precedent. It was of course, far from certain that the Chinese Communists would be willing to cooperate in any Soviet attempt to pacify Vietnam; the situation in Laos was different. In any event he thought there could be no repeat no question at the moment of a Fourteen Nation Conference on Vietnam. What might be possible were informal talks which could lead on to a conference if there were some indication that the "socialist" group were willing to discuss some settlement. But a conference would be no repeat no use if it were to be used by the communists solely in attempts at neutralization, the displacement of the Diem régime, and for propaganda purposes. Harriman had the impression that Lord Home felt that any new move on Vietnam would be inopportune just now and that it would be better to wait for some hopeful sign. Harriman personally disagreed with this view and thought that no repeat no time should be lost in exploring the possibilities. He would be taking this matter up with the Secretary when Rusk returned from Paris.

4. When I suggested that any report by the ICSC to the Co-Chairmen in the near future would disclose the serious situation in Vietnam and so precipitate consultation by the Co-Chairmen, Harriman agreed. Such a report, he thought, would almost inevitably present points of controversy; for this reason, we should be thinking about the situation that might then arise. In this connection, he hoped the Canadian Commissioner would be able to avoid enquiry by the Commission into the details of USA assistance to South Vietnam. It would obviously be better for USA and SVN to take the line that the nature and extent of USA assistance would be determined by what was needed to counter aggression by the North.

5. I then raised with Harriman the matter of SVN cooperation with the Commission; if the Commission were to be helpful, this was of great importance. Harriman fully agreed and at once gave instructions that a message be sent urging SVN to prevent placing any obstacles in the way of the Commission, to make full information available for the Commission's purposes and to avoid harassment of the Polish delegation.

6. Harriman reiterated USA appreciation of the thankless nature of the task that the Canadian Government had undertaken in the Indochina Commissions. USA hoped that we would take a sympathetic view of requests that the SVN would shortly be making of the Commission for increased patrols. He was not repeat not sure where such patrolling might be most helpful, but thought along the demilitarized zone and the area bordering Laos. In this connection, USA hoped that within Laos itself action might be taken to prevent its use as a corridor or safe haven. He was doubtful how much information would be received from the Lao Government, but he hoped that this channel of help to the Viet Cong could be stopped. Patrolling difficult territory along the Lao border might not repeat not be effective, Harriman realized; nevertheless it might have some deterrent effect and a useful counterpart to the Commission's action on subversion allegations. Once more, Harriman made it plain that he was placing great hopes on the new role assigned to the Co-Chairmen by the Geneva Conference on Laos to "police" the actions of their respective sides.

7. Much of this part of our talk was, as you will appreciate, very speculative and you should not repeat not at this stage take Harriman's expressions as representing more than tentative personal views. It was interesting, nevertheless, that Harriman should have disclosed his keen interest in looking forward to developments beyond the immediate future and the direction of his thinking. I believe we can take it that if he has his way USA policy in this important part of the world will be more flexible and imaginative than it has been in the past.

8. Harriman also had a few words to say on developments in Laos which I shall report in a separate telegram.†

[A.D.P.] HEENEY

3^e PARTIE/PART 3

CHINE
CHINA

SECTION A

VENTE DE BLÉ
SALE OF WHEAT

774.

DEA/9030-40

*Le délégué commercial à Hong Kong
au secrétaire d'État aux Affaires extérieures*
*Trade Commissioner, Hong Kong,
to Secretary of State for External Affairs*

TELEGRAM

Hong Kong, December 19, 1960

RESTRICTED. OPIMMEDIATE.

Repeat for Information: Immigration, T&C Ottawa.

VISIT TO CANADA BY CHINA RESOURCES OFFICIALS

China Resources Company wish to send two officials to Canada as soon as possible. They wish to promote trade in both directions but have firm requirements from their principals to purchase in Canada metal, artificial fibre, possibly wheat and other items and my impression is that volume of business would be substantial. Because of this and because officials must leave Canada about end of January to meet other commitments, please expedite necessary action for granting approval to Canadian Immigration Office Hong Kong to issue visas so Chinese can depart Hong Kong soonest and if possible by December 24.

2. Details regarding Chinese follow: Liu Liang, Manager Industrial Products Department, China Resources Company, Hong Kong, holds Hong Kong certificate identity number 30643 valid until July 15, 1961, and Hong Kong re-entry permit number 220147 valid until July 15, 1961. Liu visited Canada in 1957 and 1958 on similar mission and full details are in Ottawa. Yang (CI?) Liang, China Resources Company, would accompany Liu as his Secretary. He is British subject and has British passport number D-010399 issued UK High Commissioner's Office New Delhi valid until January 20 1963 and marked citizen UK and British.

3. Tentative itinerary: arriving Montreal from London remain two or three days; Toronto one week; Ottawa one or two days; Welland one day with Atlas Steel Company; Winnipeg two or

three days; Vancouver one week. If possible extension may be required for business purposes to maximum two months.

4. Reply urgently required to enable trip be made in time available and to facilitate necessary travel arrangements. Inability to comply in time might jeopardize substantial Canadian export and opportunity for Canadians to visit China in 1961.⁵⁵

[C.J.] SMALL

775.

DEA/9030-40

*Le délégué commercial à Hong Kong
au chef, Région de l'Asie et du Moyen-Orient, I.T.R.B.*

*Trade Commissioner, Hong Kong,
to Chief, Asia and Middle East Area, I.T.R.B.*

COM-CONFIDENTIAL

Hong Kong, December 20, 1960

VISIT TO CANADA BY CHINA RESOURCES OFFICIALS

There is little I can add to my cable on the above subject, a copy of which is attached for confirmation purposes. However, I would like to emphasize that in my discussions with Mr. Liu I was impressed by his evident interest in purchasing from Canada on this trip. He has just returned from Peking and stated that he had been given authority to make substantial purchases in Canada if the commodities desired were available at reasonable prices. I could not pin Mr. Liu down on the specific items he wished to buy but he said that he was particularly interested in metals. He declined to specify which metals, although I suspect copper and steel are high on his list. He was definite in saying he wished to spend some time with Atlas Steel in Welland and that he was interested in synthetic fibres. When I asked if wheat was on his shopping list he commented, "Wheat is always a possibility" but could not be drawn further on the subject beyond saying he wished to stay in Winnipeg for two or three days. The latter fact, however, is significant in itself and I believe there is a distinct possibility of wheat sales materializing.

2. Mr. Liu's purpose in going to Canada is, of course, two-fold as he also wishes to promote the sales of Chinese merchandise. In particular, he intends to look into prospects for the sale of art objects and handicrafts and said that, if the outlook is good, specialists in this line would follow him to Canada in the near future. These would be representatives of Teck Soon Hong which represents the China National Native Produce Export Corporation in Hong Kong.

3. I apologize for the urgency of the cable in requesting such speedy action on Messrs. Liu and Yang's visas. However, Liu has other commitments after the end of January and wished to leave here during the Christmas holiday season. I pointed out to him that the period between Christmas and New Year's was one in which little could be accomplished but he was most insistent that if he could not depart at that time he would not be able to make the trip at all. As

⁵⁵ Notes marginales :/Marginal notes:

Telephone conversation of Dec. 21/60 Stewart (Immigration) and Laidman (EA) decided that Immigration would wire authority to issue visas [document déchiré/document torn] office in Hong Kong. Mr. Crowe, Econ I Division [document déchiré/document torn], T&C, informed [document déchiré/document torn]. E.R. R[ettie] 21/12/60 [Document déchiré/document torn] not adverse report. Visas are being authorized direct to H[ong] K[ong] by Imm. Mr. Lepitre called. 22/12/60. Visits Panel 10 a.m. Dec. 23. [E.R. Rettie]

Mr. Gualtieri telephoned 12.00 Dec. 23 to say that it was decided that security risk should be taken & 2 officials allowed to come forward. Imm. will want Hong K[ong] [document déchiré/document torn]. [E.R. Rettie]

he plans to travel via Europe, stopping en route in Rome, London and possibly Berne, there appeared to be the possibility that if we could not cooperate he would look elsewhere for his purchases. I consider that there are genuine prospects for substantial Canadian export orders resulting from Mr. Liu's trip and, for this reason, I believe that speeding up action on his visa should prove to be fully justified.

4. I have arranged to meet Mr. Liu and Mr. Pu of China Resources Company in a day or two with Mr. Forsyth-Smith after his return and we may be able to obtain further details regarding Chinese requirements at that time. We will, of course, keep you informed.

C.J. SMALL

776.

DEA/9030-40

*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 12, 1961

POSSIBLE SALE OF WHEAT TO COMMUNIST CHINA

Senior officials of the Departments of Agriculture and Trade and Commerce are currently discussing with the Canadian Wheat Board the possibility of a substantial sale of wheat to Communist China. It appears that if such a sale is to be made, there will have to be some departure from the usual commercial terms, involving a shading of the price, the extension of credit or perhaps the provision of some part of the wheat on a gift basis. The officials concerned are confident that an arrangement can be made which would make the sale possible without danger to normal marketings of Canada or other countries. It appears to them that, apart from any humanitarian argument which there might be in favour of supplying wheat to China in the present famine conditions, the kind of arrangement contemplated would be economical from Canada's point of view in as much as it would permit substantial savings in storage charges.

2. We assume, of course, that if such an arrangement were to go forward, we would be expected to inform the United States in the same way as we keep each other informed about other special wheat sales or disposals.

3. As this matter is expected to be discussed further at an interdepartmental meeting this Friday, it would be helpful to know whether you would have any objection to such a transaction with Communist China in present circumstances, provided that satisfactory terms can be arranged.⁵⁶

N.A. R[OBERTSON]

⁵⁶ Note marginale :/Marginal note:

This would have to go to Cabinet – better work out detailed plan in meantime. H. G[reen]

777.

DEA/9030-40

*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 13, 1961

POSSIBLE SALE OF WHEAT TO COMMUNIST CHINA

This Department was represented by Mr. Ritchie at the meeting held this morning in Mr. Hamilton's office to discuss the attached draft memo for Cabinet;† also present were the Deputy Ministers of Agriculture and Trade & Commerce, and a senior official of the Canadian Wheat Board.

2. Mr. Ritchie reported that you were opposed both to the proposal to make a gift to Communist China and to the inclusion of a sum for that purpose in the estimates for this Department which you, of course, would have to defend. Notwithstanding this Mr. Hamilton decided to take this matter to Cabinet on Monday morning, and he intends to seek the concurrence of the other members of the Cabinet Wheat Committee. He also hopes to win the support of Mr. Fleming on the grounds that there would in the end be no direct additional cost to the Treasury, since the value of the gift wheat would be recovered next winter through reduced storage charges under the Temporary Wheat Reserves Act. However, Mr. Fleming had not yet been consulted, and his Assistant Deputy Minister's quick reaction this morning was that he would oppose both a gift to China and the cutting of the Canadian price. As you know, the reason it is out of the question to reduce the price openly is that this would simply have the effect of depressing world wheat prices without an offsetting increase in consumption, and Canada would sell no more wheat than before.

3. It was clearly understood at the end of the meeting that neither you nor this Department were in any way associated with the Memorandum for Cabinet, which will undergo some further minor revisions and be distributed later today.

N.A. R[OBERTSON]

778.

DEA/9030-40

*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 14, 1961

POSSIBLE SALE OF WHEAT TO CHINA

The draft Memorandum for Cabinet attached to mine of January 13 is being revised by the Department of Trade and Commerce for consideration in Cabinet on Monday morning and we have not yet seen a copy of the final document. Our comments are therefore based in part on the earlier draft (attached)† but are in the main, as you requested, a summary of the arguments directed against the principle of making a gift of wheat in connection with this operation. We assume of course that in no circumstances would you agree to the inclusion of \$6.7 million in this Department's estimates for the reasons given in my first memorandum of January 13, but

that you would have no objection if the Wheat Board could make a normal non-concessional sale of wheat to China.

2. Our understanding of Mr. Hamilton's intentions is that he will argue his case along these lines:

(a) A substantial sale of wheat could only be made if we lower our price appreciably to a level competitive with Australia.

(b) To do this openly would merely drive down further the Australian price and would involve us in a profitless price competition in which Australia has the advantage and China would be the winner.

(c) A gift of wheat is the only device by which this could be accomplished.

(d) The benefits to be gained from this possible transaction so far outweigh the disadvantages that the Government would be amply justified in reversing its past policy of lending no aid and comfort to the Communist countries.

3. We think that the following arguments against the proposal could be used in Cabinet:

(i) This device would almost certainly be misunderstood and create widespread confusion in the public mind both within Canada and abroad, particularly in the United States at a moment when a new Administration is about to take over. Confusion comparable to and perhaps greater than that which arose over our trade policy on Cuba could arise from a substantial and unsolicited gift of up to \$6.7 million worth of wheat to China, which of all Communist countries has consistently been the most hostile to the West since the onset of the 'cold war.' Moreover it is the only country with whose forces Canadians have been engaged in active hostilities within the past decade. Mr. Hamilton may argue that there is a ground-swell of public opinion in Canada, the United States and Europe moving in the direction of recognizing Communist China. To this it might be answered that the situation in Laos is so unclear that there could be an overnight revulsion of public opinion about China if that country were to become involved in Laos in the near future, and it would seem risky to take a chance based on a present assessment of public opinion as being favourable to China.

(ii) In the face of this, a gift of wheat would surely be interpreted throughout the world as a pronounced and sudden softening of the Canadian Government's attitude on the question of friendly relations with China presaging a recognition of that country, when in fact no policy decision to this effect has been taken.

(iii) As explained in paragraph 10(d) of the Memorandum for Cabinet, it would be inconsistent with China's propaganda policy to admit that they should ever stand in need of charity from outside, least of all from a capitalistic Western country. We would doubt very much that they would accept from us a gift of wheat as such, unless perhaps they were to see in doing so an overwhelming political advantage in terms of making mischief by generating friction in our relations with the United States and Australia, e.g. by representing this as part of a wider understanding between our two countries involving Canadian support for their admission to the United Nations, etc. Any attempts to deny such a line of propaganda attack would add to the confusion and would risk destroying whatever goodwill (if any) the Government might expect to gain incidentally from giving wheat to China.

(iv) On this same point about mischief-making, the Australians would undoubtedly regard the gift as nothing less than a hidden rebate to China and they would surely understand that we had in fact cut our prices by this means simply in order to capture from them the Chinese market. This would impose some strain on our relations on the eve of the Commonwealth Prime Ministers' Conference.

(v) A gift of \$6.7 million worth of wheat would make China the third largest recipient of Canadian gift wheat and could only be justified on humanitarian grounds if it were to be

understood to form part of a new and larger pattern of Canadian external aid, perhaps in the context of the Prime Minister's Food Bank, and if it were rapidly followed up by substantial and generous similar gifts of wheat to the Congo and other countries more friendly to us than China whose needs are also great. The Memorandum for Cabinet is misleading when it represents this transaction as something that would cost the Government nothing in the long run; our chickens would surely be coming home to roost for years afterwards, with demands for similar aid pouring in from friendly countries on all sides in those areas in which the Government has been careful to avoid being involved with aid programmes in the past. As you know, apart from limited emergency relief operations (e.g. Morocco, Chilean earthquake) Canadian aid programmes have been restricted to the Colombo Plan countries, the West Indies and more recently the Commonwealth countries of Africa where we have an obvious political interest. We could not reasonably continue to neglect Latin America and the rest of Africa and Asia once we have broken all precedent by giving China so much gift wheat, and the financial implications are nowhere brought out in the Memorandum to Cabinet.

(vi) The Memorandum is also misleading in paragraph 10(c) where it implies that our longer term market in China would be developed by this transaction. China has no interest in Canada's high quality wheat at higher prices than the Australian wheat and it would be foolish to regard it seriously as a potential and large market for Canada; they have turned to us now only because of an unprecedentedly bad food situation.

(vii) There are serious commercial policy dangers in Mr. Hamilton's proposal. It seems to us inconceivable that the transparent fiction of maintaining our price while making such an unnatural and precedent-making gift to China would not be seen through at once not only by farmers everywhere but by all sections of the Canadian population as well as our competitors abroad (as suggested above). The first danger is therefore that we should unintentionally touch off a price war with Australia and the United States.

Now it happens that China is the last remaining country in the world where the United States cannot compete with us because of their trade embargo policy (and how much longer this situation will last will depend on President Kennedy's Administration). Therefore the American farming interests, (as distinct from the Congressional and other supporters of Chiang Kai-Shek) who would have nothing to lose and everything to gain would doubtless see in a rigged and concealed discount Canadian sale of wheat to China the golden opportunity they have been waiting for to break down the understandings that have so painstakingly been built up over recent years between the Canadian and United States Governments, amounting to a code of good behaviour on surplus disposal, whereby both countries have refrained from making such concessional sales at clandestine below-prevailing-market prices. There will be great pressure on the new Kennedy Administration to pursue more aggressive wheat disposal policies than did their predecessors and we should do nothing to encourage such policies. We would of course also forfeit the use of the strongest weapon in our arsenal against the Americans in making them hold the line on surplus disposal operations since it would be very difficult in future to criticize them if they made deals (similar to ours with China) with other countries; their capacity to reduce prices by giving away tied-in quantities of wheat is obviously far greater than Canada's not only quantitatively but because they can much better afford to do this. We might also alienate Australia who has been our faithful ally in the past in keeping up the pressure on the United States to avoid unduly injuring our markets and we might be accused of touching off a downward price spiral which could undermine the International Wheat Agreement.

(viii) Finally on the domestic front it might be very hard for the Government to justify an outlay of \$6.7 million which would benefit only the minority farming population of Canada at a time of such high levels of urban and industrial unemployment elsewhere. The only effective

answer to criticism on this score (namely that the farmers will have to pay back the \$6.7 million themselves by storing more wheat on their farms next winter) is precisely the one argument that the Government is prevented from using for the very same reason that Mr. Hamilton does not wish to have the \$6.7 million included in his own estimates, because it would be an admission that Canada had in fact lowered the price of its wheat to China.

4. To sum up, the recommendations in the Memorandum for Cabinet seem to rest on several false assumptions and fail to take due account of both the unfavourable international political as well as commercial/economic implications for Canada of the proposed deal with China.⁵⁷

N.A. R[OBERTSON]

779.

PCO

*Note du ministre de l'Agriculture
pour le Cabinet*
*Memorandum from Minister of Agriculture
to Cabinet*

CABINET DOCUMENT NO. 12-61

[Ottawa], January 14, 1961

CONFIDENTIAL

WHEAT FOR CHINA

1. There is evidence to believe that China has an immediate, acute food problem. The recent entrance of China into the international wheat and barley markets as a purchaser in volume is evidence of urgent need.

2. The Canadian Wheat Board has had preliminary discussions with representatives of the China Resources Company, a Hong Kong firm that acts as agent for Communist Chinese trade corporations, presently in Canada, in regard to the possible sale of Canadian wheat and barley to China.

3. Australia has sold 300,000 tons of wheat, 100,000 tons of barley and 30,000 tons of flour to China. China purchased Australian wheat at approximately 25 cents per bushel under the Canadian Wheat Board's asking price of No. 2 Northern.

4. The wheat inventory of the Canadian Wheat Board consists predominately of No. 2 Northern with lesser quantities of No. 3 Northern. Grades of wheat such as No. 5 Wheat and No. 6 Wheat are not available in Canada to meet large export commitments. The representatives of China have emphatically indicated that quality is not important as their imported wheat will not be used primarily for breadstuffs (it will be mainly consumed as a form of dumplings).

5. The representatives of China have indicated that they are only interested in Canadian wheat in so far as it could be provided to China in competition with Australian wheat and at prices related to Australian offering prices.

6. It is evident that price will be the principal factor if Canada is to participate in volume in the Chinese market. It would be impractical for the Canadian Wheat Board to lower its selling price for high grade wheat to meet the indicated demand for China. Such a reduction in price would have to apply to all commercial buyers of Canadian wheat and would lead to operating

⁵⁷ Note marginale :/Marginal note:

Cabinet decision of Jan. 16 turned down proposal for gifts but authorized exploration of possibility of large sale of mixed grades. R. C[ampbell]

deficits on the part of the Board. Accordingly, it is necessary to explore means whereby high grade Canadian wheat could be made available to China at competitive prices without affecting the level of current Board asking prices.

7. It is therefore proposed that the Canadian Wheat Board should be authorized to continue their negotiations on the basis of a gift of a limited quantity of high grade wheat and the sale of a much larger quantity of wheat to China. The combination of gift and sale would be such as to reduce the overall cost of Canadian wheat to China to a level competitive with wheat sold by Australia and further supplies of wheat which Australia is in a position to make available at an early date.

8. The actual amount of the gift of wheat would depend upon the quantities which may be negotiated on a competitive price basis. The minimum quantity of wheat involved in the negotiation should be 500,000 tons (18.6 million bushels), in which case the gift segment would be \$3.35 million. The gift segment would increase proportionately as the quantity increased. For one million (37.3 million bushels) the gift segment would involve \$6.7 million, which would be the maximum contemplated in the negotiation. The gift segment in respect to the foregoing quantities is based upon a maximum overall price reduction of 18 cents per bushel on the quantities of No. 2 Northern Wheat taken by China. In the negotiations, however, the Canadian Wheat Board would endeavour to make the smallest possible price concession consistent with maximum quantities.

9. In consideration of the Treasury making available funds ranging from a minimum of \$3.35 million to a maximum of \$6.7 million for a gift of wheat to China, the Canadian Wheat Board undertakes to effect a reduction in its inventory of wheat on July 31, 1961, sufficient to reduce the liability of the Treasury under the Temporary Wheat Reserves Act for the crop year 1961/62 by the amount of the funds made available to the Canadian Wheat Board to finance the payment for the said gift of wheat to China.

10. In appraising this proposal it should be noted:

- (a) For a Government expenditure from \$3.35 million to \$6.7 million, as much as 18.6 to 37.3 million bushels of wheat may be exported to China.
- (b) Under the Colombo Plan or a relief program, such as UNRWA, the same volume of assisted exports would cost the Government 10 times as much or from \$34.0 to \$67.0 million; under this proposal there is no ultimate cost to the Treasury.
- (c) The urgent demand situation in China affords a timely opportunity to develop by means of this transaction our immediate and longer term marketing interests in this particular market.
- (d) Since the Chinese Government has long held that they do not require external aid to meet the needs of their people, it may be assumed that they would regard a transaction of this nature as being purely commercial, involving no element of external aid whatever; hence, assuming that the offer is acceptable to the Communist Chinese authorities, no significant political advantage for Canada could be expected to accrue from a substantial gift of wheat to the Chinese people. Indeed, it is probable that the latter would be unaware that a gift had been made. Moreover, if attendant publicity in Canada were to overemphasize the disastrous food situation in China, this would undoubtedly be most unwelcome to the Communist Chinese authorities.
- (e) If the gift of wheat were made it could be provided through the China Resources Company and this would involve no question of recognition by Canada of the present régime.
- (f) It would be the intention to let the United States and Australian authorities know about the transaction at an appropriate stage.

(g) Canada's balance of trade will be improved to the extent of the commercial segment of the arrangement (\$34 to \$67 million).

(h) The provision of a gift of wheat to the Chinese people would undoubtedly lead to increased pressures from other sources that similar gifts be provided to other friendlier countries facing similar problems. Nevertheless, the urgent need for grain to overcome extreme famine conditions in China justifies special consideration.

11. *I Recommend:*

(a) That an item be provided in the estimates of the Department of External Affairs in the amount of not more than \$6,700,000 to provide for a gift of wheat, wheat flour, and barley to the "people" of China to assist in meeting their urgent food situation. The exact dollar amount cannot be established until negotiations reach a more advanced stage and the quantities and prices involved are negotiated.

(d) The Minister of Agriculture be authorized to instruct the Canadian Wheat Board to administer the delivery quota regulations in such a manner as to prevent year-end elevator congestion and specifically ensure that stocks of wheat in the hands of the Canadian Wheat Board on July 31st, 1961, would be such as to effect a saving to the Treasury of an amount equivalent to the cost of the gift of grain to China.

(c) The Minister of Agriculture be authorized to instruct the Canadian Wheat Board to proceed with negotiations with representatives of the China Resources Company with a clear understanding that any gift from Canada is conditional upon the purchase on a commercial basis of substantial quantities of wheat, and/or wheat flour, and if desired by the Chinese lesser quantities of barley.

[ALVIN HAMILTON]

780.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], January 16, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),

The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorian),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenney),
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretaries to the Cabinet (Mr. Fournier), (Dr. Hodgson).

WHEAT FOR CHINA

10. *The Minister of Agriculture* said the Canadian Wheat Board had had preliminary discussions with representatives of the China Resources Company, a firm which acted as agent for Communist Chinese trade corporations, who were in Canada in regard to the possible sale of Canadian wheat and barley to China. China was facing an acute food problem and had purchased wheat, barley and flour from Australia. The price at which China had purchased the Australian wheat was approximately 25 cents per bushel under the Canadian Wheat Board's asking price of No. 2 Northern. The Chinese representatives indicated clearly that quality was not important as their imported wheat would be consumed primarily as a form of dumplings not as bread. The Wheat Board at the moment had available mostly No. 2 Northern with lesser quantities of No. 3. Grades of No. 5 and No. 6 were not available in Canada to meet large export commitments. The Chinese representatives had indicated that they were only interested in Canadian wheat in so far as it could be provided in competition with Australian wheat and at prices related to Australian offering prices.

It would be impractical for the Wheat Board to lower its selling price for high grade wheat to meet the demand from China. Such a reduction in price would have to apply to all commercial buyers of Canadian wheat and would lead to lower world prices and to operating deficits on the part of the Board. Accordingly, it would be necessary to find means whereby high grade Canadian wheat could be made available to China at lower prices without affecting the level of current Board asking prices. One suggestion was that the Board should be authorized to continue their negotiations on the basis of a gift to the "people" of China of a limited quantity of high Grade wheat and the sale of a much larger quantity of wheat to China. The actual amount of the gift of wheat would depend upon the quantities which might be negotiated on a competitive price basis. If the quantity of wheat involved in the negotiation was one million tons (37.3 million bushels) the gift segment would be \$6.7 million. This segment would be based upon a maximum overall price reduction of 18 cents per bushel on the quantities of No. 2 Northern wheat taken by China.

An explanatory memorandum was circulated, (Minister's memorandum, Jan. 14 – Cab. Doc. 12-61).

11. *Mr. A. Hamilton* said that another suggestion put forward was that the Wheat Board, on behalf of the western producers, would make a gift to the "people" of China with the Board making up the difference out of its fund for promoting the consumption of wheat, which would later have to be replenished. Such type of gifts were possible in the United States under Public Law 480 (titles II and III).

He said Mr. Starr had suggested to him that Canada should give wheat to all countries who bought large quantities, say, 10 or 20 million, in a form of a discount. This had the advantage of not changing the original price and would be a quantity discount. For example, if the Chinese could be told that, if they bought 37 million bushels of wheat, they would get "x" per cent discount. The Wheat Board had said that this scheme would be considered as a price reduction and would spiral a reduction all over the world. It would also penalize the United Kingdom and other customers who bought through a private trade. Canada should not risk its wheat markets in this way.

It had also been suggested to mix and grade the wheat arbitrarily as No. 5 and sell it at No. 5 prices. The Wheat Board had said that it would be difficult to get away with this scheme since the wheat statistics were published every week and were known to all. The scheme would be regarded as a price cut.

12. *During the discussion* the following points were raised:

(a) The possibility of mixing feed wheat with No. 3 grade and reducing it to No. 5 should be explored. This would mean a reduction in the price to the farmer. Should the public of Canada pay for this or the farmers only?

(b) The proposed gift would be less than it would cost the government to pay for storage on the total amount for eighteen months.

(c) It was the general consensus that the Canadian public would react most unfavourably to any gift to a Communist country, notwithstanding the fact that a gift might make possible a large sale of wheat to China. Therefore, every effort should be made to find an alternative solution. The availability of lower grades of wheat and the possibilities of mixing grades should be explored further. It was politically important for the government to get rid of as much surplus wheat as possible.

(d) Under the scheme proposed by the Minister of Agriculture, the Wheat Board would be instructed to administer the delivery quota regulations in such a manner as to prevent year-end elevator congestion and specifically ensure that stocks of wheat in the hands of the Canadian Wheat Board on July 31st, 1961, would be such as to effect a saving to the Treasury of an amount equivalent to the cost of the gift of grain to China.

13. *The Cabinet* decided,

(a) that no gift of wheat be made to Red China, notwithstanding the fact that a gift might make possible a large sale of wheat to China; and,

(b) that the Minister of Agriculture should discuss further with the Canadian Wheat Board the availability of lower grades of wheat and the possibilities of mixing grades in order to make possible a large sale to China at prices consistent with the prices normally quoted for the various grades.

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781.

DEA/9030-40

*Le délégué commercial à Hong Kong
au sous-secrétaire d'État aux Affaires extérieures*

*Trade Commissioner, Hong Kong,
to Under-Secretary of State for External Affairs*

LETTER NO. 14
COM-CONFIDENTIAL

Hong Kong, January 19, 1961

CHINESE FOOD PURCHASES

Dear Sir:

As you know, about a month ago the mainland Chinese, through the China Resources Company in Hong Kong, purchased 330,000 tons of Australian wheat. From the beginning we have been discussing possible sales of Canadian wheat with the China Resources Company and the latter have insisted that our wheat is too expensive relative to their needs and to alternative supplies from Australia. At the same time, they have endeavoured to secure our

support for a request to the Canadian Wheat Board to lower the Canadian price for Chinese purchases. It appears that the Australians did in fact reduce their price and provided certain other marginal concessions such as a guarantee of the quality of the wheat to the Chinese discharge port which is contrary to custom and China Resources has sought our help in obtaining similar concessions from Canada. We have given them no encouragement whatsoever in this respect and they have throughout endeavoured to hold off saying that unless we could provide concessions they would not buy from us. At the same time, it has been apparent that they urgently require more wheat and our continuing belief that this is the case seems to have been justified by events today. The China Resources Company telephoned Mr. Forsyth-Smith early this morning asking him to discuss wheat and, at the interview which followed immediately, they stated that there was an opportunity for big business and urged us once more to recommend to the Canadian Wheat Board further price concessions. (The Board, in the meantime, had offered a minor price cut from today's price on their deferred payment basis).

It is very clear that the Chinese do in fact want more wheat and want it urgently and in substantial quantities. It seems clear, too, that they are endeavouring to play off the Canadian Wheat Board against the Australian Wheat Board and vice versa. Perrett of the Australian Wheat Board has returned to Hong Kong and we know is again discussing sales with the China Resources Company and it is almost certain that further sales will be concluded, either with the Australians or with ourselves. For this reason, we are not recommending any substantial concessions to the Chinese, although we believe that a very minor price concession and deferring to their wishes on the quality guarantee question would secure the business for Canada. Although we have not been kept fully informed of the Canadian Wheat Board's actions in Canada, we understand that they did in fact offer a 6/9 per ton reduction on 750,000 tons Canadian wheat on a deferred payment basis. China Resources Company still argues that this is too high but we have gained the impression that even a nominal reduction by the Canadian Wheat Board would result in business for Canada. This is the customary Chinese procedure and frequently the amount of a foreign seller's concession is less important than the actual fact of making a small concession. In any case, even if the Australian Wheat Board should gain the present business that we believe the Chinese intend to do, Canada would not be the loser since this would, to all intents and purposes, clear out the balance of the Australian 1960 surplus and Canada would be bound to benefit from this fact in other markets. It is for this reason that we do not believe anything more than a nominal price concession should be made to the Chinese at the present time.

The obvious urgency of the Chinese requirements has been clear from their demand that the first 210,000 tons of Australian wheat be delivered in January, 1961, and from the urgency of our latest discussions with the China Resources Company.

At the same time as they were discussing wheat the China Resources Company indicated the need for 200,000 tons of barley and there appears to be a fair possibility that this business will go to Canada, although the Australians may be successful on a price basis.

The Chinese, throughout our discussions, have endeavoured to convince us that the reason they are buying wheat abroad is because they are exporting so much of their own rice. While it is true that they are exporting rice to Cuba and to some of the Communist bloc countries, they are also importing it from Burma and it seems clear that their rice argument is a face saving device and that they are desperately in need of grain from abroad to replace some of the short fall of their own production. Even if their latest indicated interest in 750,000 tons of wheat results in business, the million odd tons of wheat imported would be neither here nor there for the whole of China. Nevertheless, such a quantity, and possibly more to be purchased, could be extremely useful in alleviating the worst shortages in specific areas where famine or near

famine conditions may exist. From all the Chinese reports, it would appear that the north-east part of the country is the worst off and it is likely that most of the imports will be shipped to northern ports.

Yours very truly,
C.J. SMALL

782.

DEA/9030-40

*Note du chef de la 1^{ère} Direction économique
pour le sous-secrétaire d'État adjoint des Affaires extérieures*

*Memorandum from Head, Economic (1) Division,
to Assistant Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], February 2, 1961

WHEAT SALES TO CHINA AND CZECHOSLOVAKIA

Further to my memorandum to the Under-Secretary of January 23,† copy attached, I thought you might like to have in this memorandum a brief outline of where we stand.

2. Cabinet approved the credit terms sought by the Czech Minister, and Mr. J. Roberts, Deputy Minister of Trade and Commerce, notified the latter of this. A Czech delegation is expected to arrive in Canada tomorrow and negotiations are to begin at once for the sale of 200,000 tons of wheat.

3. I understand that it was announced in the House today that Canada had sold 750,000 tons (28 million bushels) of wheat and 260,000 tons (12.1 million bushels) of barley to China. The barley was No. 1 feed and the 260,000 figure includes the previously announced sale of 120,000 tons. 100,000 tons of the wheat was No. 3 Northern and the remaining 650,000 tons was No. 2 Northern. This sale was for cash and no concessional or credit terms were involved. An interesting feature of the sale was that the Chinese will pay in sterling. (Cash against documents).

4. We learned in confidence from Trade and Commerce that the Chinese have chartered forty vessels on a time basis for the next four to thirteen months.

5. You may wish to let Mr. Armstrong know about these two sales.

O.G. STONER

783.

DEA/11280-1-40

*Note du chef de la 1^{ère} Direction économique
pour le sous-secrétaire d'État des Affaires extérieures*

*Memorandum from Head, Economic (1) Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], February 21, 1961

BUNKERS FOR CHINA

I thought it might be useful to record briefly on paper my understanding of what has been reported to have been discussed between the President and the Prime Minister on this question on Monday.

2. When the Prime Minister raised this matter⁵⁸ and said that any attempt by FAC to become involved in this would lead to a very serious outcry in Canada, the President made two suggestions. He asked first whether there were any Canadian companies which might be a substitute source of supply for the cargo ships carrying wheat to China. He also said that if the Canadian Government was to formally ask for an exemption, this would probably be granted. Mr. Diefenbaker reportedly rejected both of these solutions. The President then suggested that if the Canadian Government were to tell Imperial Oil that they considered this a normal commercial transaction in which there would be no involvement of the FAC, Imperial would then presumably report this to Standard, and there was an inference that the FAC would be prepared then to grant an exemption or turn a blind eye to the operation. The Prime Minister said that he would like to have a more concrete expression of this proposal before committing himself. We understand that the Embassy in Washington are following this up with the White House and that some proposal to this effect may be put forward.

3. For the moment we have suggested to the Department of Trade and Commerce that they tell Imperial Oil that their problem is being studied by officials here and that they should not give up hope of securing this business. No indication, of course, will be given to Imperial Oil that this matter was discussed on Monday between the President and the Prime Minister.

4. We have been told that up-to-date no problems have been brought to the attention of the Wheat Board about the movement of grain to China. Some barley is already moving out of Prince Rupert, although there has been no movement yet of wheat.⁵⁹

5. The general problem of FAC control has come up on an earlier and broader basis in connection with the sale commercially of flour to China. Mr. McIvor has reported that Robin Hood has been frustrated in its attempts to sell flour (which they maintain they could do in the present circumstances) by FAC actions.

6. The Prime Minister has asked that this matter should be treated with the utmost confidence and that extreme care should be taken to avoid any information about the present consultations being made public.⁶⁰

O.G. STONER

⁵⁸ Imperial Oil et d'autres filiales canadiennes de sociétés américaines ont demandé si le mazoutage des navires transportant le blé canadien vers la Chine violait le Foreign Assets Control regulations (règlement sur le contrôle des avoirs étrangers).

Imperial Oil and other Canadian subsidiaries of American companies had inquired whether bunkering the vessels carrying Canadian wheat to China would violate the Foreign Assets Control regulations.

⁵⁹ Note marginale :/Marginal note:

McIvor told me that his Co[mpany] was planning to raise the general question in Washington next month. [N.A. Robertson]

⁶⁰ Note marginale :/Marginal note:

Noted. N.A. R[obertson]

784.

DEA/11280-1-40

*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], February 23, 1961

OIL BUNKERS FOR VESSELS CARRYING CANADIAN GRAIN TO CHINA

President Kennedy's proposal to you, as set out in Mr. Heeney's notes of the conversation,⁶¹ was that "Canadian authorities might make a request to the supplier at Vancouver to fill the order for bunkers on the understanding that United States authorities would not invoke United States law against United States parent companies of that supplier or against officers and directors of the company who were United States nationals." United States officials have now expanded on this suggestion with a rather complicated proposal on procedures set out in the attached telegram from Washington of February 22. This procedure would involve, in addition to the basic step suggested by President Kennedy, a notification to the United States Government by the Canadian Embassy in Washington which would include details of names and loading dates of the ships involved, applications by the United States parent companies for exemptions from FAC regulations, an approach by the United States Consulate in Vancouver to the oil companies concerned and a check by the Consulate of the cargo manifest to ensure that the ship is carrying only wheat or other Canadian-origin cargo.

2. The United States authorities are clearly endeavouring to find a procedure acceptable under their law to solve the problem and it is the impression of our Embassy in Washington that these procedural suggestions are not the final word, but might be substantially modified. Nevertheless, the procedures suggested are different from those considered necessary in other cases since the agreement reached during the visit to Ottawa of President Eisenhower and Secretary of State Dulles in July, 1958.⁶²

3. The position agreed and publicly announced at that time was in the following terms:

"The Canadian and United States Governments have given consideration to situations where the export policies and laws of the two countries may not be in complete harmony. It has been agreed that in these cases there will be full consultation between the two governments with a view to finding through appropriate procedures satisfactory solutions to concrete problems as they arise."

4. In particular cases which have come up since then, our attitude has been that if the export was permissible under Canadian regulations, it was the responsibility of the parent company in the United States to clear itself with Foreign Assets Control. This normally takes the form of an exemption granted to the parent company by FAC. The Canadian Government through the Embassy in Washington has on a number of occasions made representations to the United States authorities supporting the granting of such exemptions. It will be noted that this action relates only to the United States parent company and its position under United States law. The Canadian Government has not given assurances to the Canadian subsidiary regarding the exemption of its parent from United States Foreign Assets Control regulations, nor have we been aware of any contact between the Canadian branch company and United States Government agencies on the subject of clearance for a particular shipment. On the Canadian

⁶¹ Voir les documents 319 et 320./See documents 319 and 320.

⁶² Voir/See Volume 25, document 5.

side of the line, therefore, such transactions have been regarded as normal commercial transactions. Any difficulties existed only on the United States side of the border between the United States Government and the United States parent; the problem was one to be cleared up entirely in the United States, with the Canadian Embassy in Washington normally making official representations to the United States Government supporting the granting of the exemption to the United States parent company.

5. I assume that you would wish these basic distinctions maintained and that, accordingly, we should not get involved in any procedures requiring the Canadian Government to assure Canadian companies that they may carry on a transaction which is perfectly normal and legitimate under Canadian law, or agree to a procedure requiring contact between the Canadian company and United States authorities.⁶³

6. I would therefore suggest that we tell the United States Government that it is their responsibility to assure the United States parent companies concerned, whether by formal exemption or otherwise, that FAC penalties will not be invoked against them if their Canadian subsidiaries sell oil bunkers to vessels carrying Canadian grain or other goods which may be exported to China under Canadian export regulations. As in earlier cases, the Embassy could make formal representations to the United States Government supporting the granting of such exemptions to the United States parent companies. In answer to any enquiry received by the Canadian Government from a Canadian company involved, we would say that this is a normal commercial transaction fully in accord with Canadian law and policy, and that we would expect them to act accordingly.⁶⁴

7. Mr. Heeney is seeing senior United States officials Friday afternoon on this problem. I would propose that he be instructed, if you agree, to work towards a solution which would:

- (a) Permit bunkering to take place immediately on a normal commercial basis;
- (b) Keep to a minimum any involvement of the Canadian Government; and
- (c) Avoid any policing measures by United States authorities in Canada or any direction to firms located in Canada from the United States Government.⁶⁵

8. He would not, of course, say anything which would affect the position which you took with the President, and any proposed solutions would have to be referred to Ottawa for approval. The basic position would be that the United States Government itself must remove any impediment to the transactions, since the difficulty is solely between the United States Government and the United States parent companies.

H.C. G[REEN]

⁶³ Note marginale :/Marginal note:
Yes. [J.G. Diefenbaker]

⁶⁴ Note marginale :/Marginal note:
Follow 6 *but* these [the formal representations] should be *informative* rather than *requests*. Otherwise we would be taking a step back from the position agreed & announced under Pres. Eisenhower. H. G[reen] 24/2

⁶⁵ Note marginale :/Marginal note:
Also approved by SSEA, with special emphasis on (c) e.g. 3(e) & (f) of Washington tel. 547 are unacceptable. R. C[ampbell] 24/2

[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 547

Washington, February 22, 1961

CONFIDENTIAL. RESTRICTED DISTRIBUTION. OPIMMEDIATE.

Reference: Our Tel 542 Feb 21.†

Repeat for Information: T&C Ottawa, Finance Ottawa, PCO Ottawa (OpImmediate) from Ottawa.

OIL BUNKERS AT VANCOUVER FOR VESSELS
CARRYING CANADIAN WHEAT TO MAINLAND CHINA

Further to our reference telegram we are giving you below the procedural steps envisaged by USA officials at the technical level should the course of action suggested by the President to the Prime Minister prove acceptable.

2. We should point out that these procedures (which clearly raise difficulties from Canadian point of view) have not repeat not been put forward as a final or firm USA proposal but merely as "feasible" technical arrangements suggested by FAC from their special point of view and in the light of present USA law and practice. Further, they were proposed without the officials concerned having direct knowledge of what passed between the Prime Minister and the President. Even so, we feel that there are good possibilities of our being able to get substantial modifications and the steps outlined below should not repeat not therefore be regarded as final. Before pursuing the matter further at any level it will of course be necessary to know whether the President's suggestion to the Prime Minister is acceptable in principle.

3. Following then are the procedural steps which FAC would envisage:

(a) The Canadian Government or an agency thereof such as the Wheat Board would inform all oil companies having bunkering facilities in Vancouver and Prince Rupert that they should proceed with the necessary bunkers to the ships carrying the wheat to China. The oil companies would also be told that it is understood that USA Government will exempt USA parent companies concerned from the operation of USA;

(b) Canadian Embassy would inform State Department in writing of this approach by Canadian Government to the oil companies. This notification to State Department would be intended to cover all oil companies that might be involved and also all the individual shipments under this wheat transaction with China;

(c) As the details of shipping arrangements developed Canadian authorities would indicate to State Department through Canadian Embassy the names and loading dates of the ships involved;

(d) On the basis of (b) and on application by the individual USA parent companies, the Foreign Assets Control authorities in Washington will issue blanket exemptions to each USA parent company with respect to these particular operations by their subsidiaries in Canada. The exemptions would be made to cover only the grain shipments made under the current sales contract with China and for a shipping period to be specified;

(e) The State Department would inform USA Consulate in Vancouver of the names and loading dates of the ships involved. This information would be given by USA Consulate in Vancouver to the oil companies concerned in Vancouver and Prince Rupert and oil companies

would thus be advised that bunkering of these particular ships would be within the exemption granted in Washington to USA parent companies concerned;

(f) In the case of each ship to be bunkered its cargo manifest would be shown to the Consulate in Vancouver and automatic bunkering would be assured if the ship were carrying only wheat or other Canadian-origin cargo.

4. We were informed by FAC that the formalities relating to the USA Consulate in Vancouver followed the pattern already in existence in all ports in countries bordering on the Pacific with respect to the bunkering by USA subsidiaries of any ship going to mainland China.

5. Pending your instructions I have taken the precaution of informing both State (Ivan White, Deputy Assistant Secretary of BNA) and Treasury (Leddy, Assistant Secretary) that the procedural pattern contemplated by FAC appears to me, from the larger point of view, to prejudice seriously the usefulness of the President's suggested solution.

[A.D.P.] HEENEY

785.

DEA/9030-40

*Le délégué commercial à Hong Kong
au sous-secrétaire d'État aux Affaires extérieures*

*Trade Commissioner, Hong Kong,
to Under-Secretary of State for External Affairs*

LETTER NO. 51

Hong Kong, February 23, 1961

CONFIDENTIAL. CANADIAN EYES ONLY via Diplomatic Bag.

Reference: Ottawa's Y-35 of February 2nd† and NATO Paris' 318 of February 8th.†

FAMINE IN CHINA

Dear Sir:

Both telegrams under reference cover the food situation in China very well and this is merely to add one or two footnotes on the situation as seen from Hong Kong.

The penultimate sentence of Y-35 is absolutely correct but I would add to natural calamities, commune organizational defects and peasant resistance another cause of China's food problems, namely, sheer physical debilitation from malnutrition and overwork combined with a loss of all interest in, or incentive to, work. As you know, Chinese New Year is a traditional period for overseas Chinese to return to the mainland and this year has been no exception insofar as Hong Kong Chinese are concerned. Many servants and office workers who visited their home villages, largely in Kwangtung, for the New Year period which commenced February 15th, are now returning to Hong Kong with tragic tales concerning the food situation as they found it. Even allowing for possible exaggeration, there seems to be no doubt whatsoever that many people are on the verge of starvation and many are suffering from malnutrition and either cannot or will not work efficiently. It is now reported that ordinary peasants in some cases have had their grain ration reduced to as low as nine catties a month which is a starvation level since secondary food items are also either scarce or non-existent. According to returnees, to eke out their grain ration, many are grinding rice straw and mixing it with their other food but because the ground straw is brittle it is said to be causing throat irritation and other ill effects. Even the PLA troops stationed along the Hong Kong border had their grain ration reduced at the end of August, 1960, from approximately 60 catties per month to 30 catties per month.

With reference to the fourth paragraph of NATO Paris' 318, no evidence has become available in Hong Kong to substantiate speculation that the Soviet Union has been asked for, or has offered, aid, either in the form of commodities or foreign exchange. An interesting sidelight on this question occurred during our negotiations here with the China Resources Company on the question of Canadian grain shipments to China. Throughout our discussions the Chinese have urged and endeavoured to obtain earlier shipments of Canadian grain. Part of the Canadian inability to deliver earlier to the Chinese has been caused by the Soviet Union's sudden decision to take up its 200,000 tons of wheat under the Soviet-Canadian agreement and this was not done until after the news broke that the Chinese had representatives in Canada who were discussing grain purchases. This in itself suggests that the Soviet Union was looking after its own interests, with no consideration for socialist brethren in China. In addition, at one session with the Chinese here, when they were urging earlier Canadian grain deliveries, we mentioned that the Soviet Union had just taken up its option on Canadian grain in advance of Chinese purchases and suggested that the Russians might be willing to consider a Chinese request to allow their 200,000 tons to go immediately to China, to be replaced at a later date from the Chinese purchases. This suggestion was received icily and we were left in no doubt whatsoever that such an idea bore no relation to reality. So much for socialist co-operation and mutual benefit!

The question of how the Chinese can pay for over two million tons of Canadian and Australian grain, as well as nearly a million tons of fertilizer recently purchased which, combined with shipping costs, will require roughly Can. \$200 million in foreign exchange, is a very pertinent one. The Bank of China manager in Hong Kong who, although he works for a Communist organization, is a rank capitalist and millionaire in his own right with children studying in both Canada and the United States, some time ago indicated to us that Communist China would be asking for credit terms before long, despite the fact that the China Resources officials regularly emphasized that they would pay cash for all grain and other purchases and that credit would be of no interest to them. In my opinion, the Chinese will be able to pay for the current grain and fertilizer purchases from their own resources. This, however, will likely have the effect of cleaning out their foreign exchange reserves and enforcing a cutback in industrial imports. In this way it would appear that they can scrape by without falling into serious financial difficulties. However, this is not the whole story as the Chinese have now intimated to us that purchases from Canada may be contemplated over the next two years and they are requesting assistance in programming for such a long term basis.

This information is to be regarded as strictly for the Department. Its release even to other Governmental departments could have extremely harmful effects. The Department of Agriculture's public announcement of the Canadian grain sale to China without Chinese concurrence broke a firm agreement entered into with the Chinese negotiators and has had most unpleasant repercussions for us at this office and for the Canadian Wheat Board. The Chinese would almost certainly have agreed to the announcement within a short space of time when they had concluded their shipping arrangements but the premature release of the information raised freight rates and, consequently, the cost of our wheat to China. The Chinese have made the point that had Canada sold on a c.i.f. basis and [had] China released such information we would have suffered a corresponding loss and would have been equally incensed. Whatever we may think of Chinese Communist principles and practices, their record on such matters has been impeccable with few exceptions. Furthermore, in Canadian grain trade practice it is not customary to release such commercial information until it appears in our statistics long after the event. For example, if the Wheat Board released similar information on sales to the United Kingdom, without question British buyers such as the Rank organization – our largest customers – would cease purchasing from Canada. If the Canadian action in this case had merely made the work of this office more difficult we would not complain. The

matter, however, is more serious. It has shaken Chinese confidence in Canada and jeopardized future Canadian sales, the prospects for which, as noted above, are excellent in the long term. The present contract with the Chinese, as has been suggested in Canada, is not a “one shot” proposition if we operate circumspectly. Canadian grain has certain built-in advantages over grain from other sources and sells itself at a premium price in many markets. In China’s case, this is not so and it has taken a great deal of hard work on the part of the Canadian Wheat Board and this office to convince the Chinese that they should buy from Canada at a price higher than the Australian price. A major assist in achieving this end has been the urgency of China’s need. But if the Chinese lose confidence in Canadian ability to honour a firm agreement or to treat commercial information on a normal commercial confidential basis, you may be sure that they will turn to other suppliers who can inspire such confidence, the moment they are in a position to do so. In the interests of long term sales to China – of both wheat and other commodities – which now appear bright, it seems a small price to pay.

Yours very truly,

C.J. SMALL

P.S. Since the above was dictated the Chinese officials here have given their first hint of possible interest in credit terms for purchases of Canadian grain subsequent to the deliveries under the present contracts.

786.

DEA/9030-40

*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 2, 1961

WHEAT SALES TO COMMUNIST CHINA

We have been told by the Deputy Minister of Trade and Commerce that conversations which an official of the Canadian Wheat Board has been having within the past few days in Peking have indicated the possibility of very large additional sales of wheat to Communist China. As you will recall, the Wheat Board had previously sold 750,000 tons of wheat to Communist China. The Wheat Board reports from Peking indicate that additional sales of as much as two million to three million tons might be made “if suitable financing could be arranged.” It is, of course, this latter condition which presents a problem, since presumably the Chinese have in mind some form of governmental credit, probably for a period of several years.

2. Officials will be discussing this matter within the next day or two with a view to some recommendations, or at least a report, to Ministers. Meanwhile I thought you would wish to know of the possibility that the question of a credit for Communist China may be raised very soon. This would undoubtedly involve difficulties of a political as well as financial character and might present problems for us in our relations with the United States. You may nevertheless feel that the possibility should be examined in view of the important effects which a sale of this magnitude could have on the Canadian economy and especially on the wheat supply position. Incidentally, while a sale on credit terms might be criticized in the United States, the US authorities might nevertheless welcome the fact that such a transaction would

remove a substantial quantity of wheat from the rest of the world market, and thus ease the surplus disposal problems of ourselves and the United States.

N.A. R[OBERTSON]

787.

PCO

*Note du ministre des Finances,
du ministre de l'Agriculture,
et du ministre du Commerce
pour le Cabinet*

*Memorandum from Minister of Finance,
Minister of Agriculture,
and Minister of Trade and Commerce
to Cabinet*

CABINET DOCUMENT NO. 119-61

Ottawa, March 9, 1961

CONFIDENTIAL

SALES OF WHEAT TO CHINA

1. In mid-February, at the request of China Resources Company, the Canadian Wheat Board sent a two-man mission to Hong Kong to give technical assistance in finalizing arrangements for implementing a sales contract involving 28 million bushels of wheat and 12 million bushels of barley. During the course of these discussions, the Chinese representatives made reference, on several occasions, to future trade arrangements which would involve the sale of additional significant quantities of Canadian grain. The proposition was made to Board representatives that future sales could be consummated, provided acceptable trading arrangements could be agreed upon.

After detailed discussions of traditional sales procedures followed by the Board, the representatives of China Resources Company made the following proposals, on a tentative basis:

- (1) That the Company, as acting agents for China National Cereals, Oils and Foodstuffs Import and Export Corporation, were prepared to enter into a contractual arrangement with the Canadian Wheat Board for the purchase of approximately 190 million bushels of wheat and 47 million bushels of barley, over a 2½ year period, provided:
 - (a) Some flexibility in payment arrangements could be negotiated; and
 - (b) The Board would provide assistance in the development of trade in Chinese products to Canada, to increase the availability of dollar exchange to pay for the grain.
- (2) A new contract, to take effect immediately following the completion of the current Agreement, would be entered into covering Chinese grain requirements for a 6-month period, and be followed by further contracts for each 6-month period up to a total of 2½ years.
- (3) Firm sales proposals, embodying the conditions contained above should be submitted to China Resources, and their principals, prior to March 31st next.

2. The mission was subsequently informed that the tentative proposals outlined above had been confirmed by the Government of the Chinese People's Republic. It was further indicated that the "flexible payment" arrangements referred to involved the extension of credit on additional purchases for periods up to one year in duration. Assuming a uniform shipping program over the period under consideration, the maximum liability, basis the Chinese

proposal, would be in the vicinity of \$150 million for credit over a 12 month period, and proportionately less for shorter credit periods. The Chinese Government would finalize import-export programs for 1961 prior to March 31, 1961, and the Canadian Wheat Board was requested to submit specific proposals for the sale of grain in the volume indicated prior to that date for the consideration of the prospective purchaser.

3. The Canadian Wheat Board representatives made it very clear that the Board could assume no responsibility for increasing the volume of Chinese exports to Canada. In the opinion of the Board this condition is not a decisive factor in the completion of a new sales contract. If pursued, however, it would raise very difficult problems. While China enjoys M.F.N. treatment, there have been problems of valuation for duty. Moreover, any suggestion of establishing Chinese sales facilities in Canada would raise very serious security and political considerations.

4. Quite clearly, every effort should be made to conclude sales for cash since credit raises problems of both a political and commercial nature. While it is impossible to make a definitive assessment of the importance of credit facilities to the completion of additional business, the China Resources Company representatives have clearly indicated that this condition will be a prime requisite to a new sales contract. They have given assurance that this condition carries the considered approval of their principals, and this analysis is borne out by discussions with independent trading and banking authorities in Hong Kong.

5. If credit, involving a Canadian Government guarantee, is required to come to an arrangement with the China Resources Company, there are two ways in which this might be accomplished:

- (1) Under the Export Credits Insurance Act;
- (2) Under the Canadian Wheat Board Act.

With regard to the use of the Export Credits Insurance Act, the proposed transaction, because of its magnitude, cannot be undertaken by the Corporation as part of its normal business. Consequently, it would have to be considered under Section 21 or Section 21(a) of the Export Credits Insurance Act. There are two difficulties in any such procedure, namely:

- (1) The established procedure, though not required by legislation, is that in respect of wheat sales on credit an exchange of notes has been required between the Canadian Government and the Government of the purchasing country. If this practice were followed, in respect of the People's Republic of China, it might be taken to imply recognition of that Government.
- (2) Furthermore, the maximum liability which the Corporation may assume under the aforementioned Sections of the Export Credits Insurance Act is \$200 million of which \$163 million is now committed. Accordingly, legislation would be required to increase the ceiling on obligations which the Corporation can assume if a transaction of this magnitude is to be undertaken.

With regard to the second alternative, Section 11 of the Canadian Wheat Board Act provides authority for the Minister of Finance to guarantee bank loans to the Canadian Wheat Board for the purposes of carrying on its operations under the Act. It would be possible to increase the amount to which this guarantee applies to permit the Canadian Wheat Board to finance credit sales to China. Although this would mean a departure from present Board policy, no new legislation would be required. However, it would seem desirable to establish specific authority by Order-in-Council setting out the overall amount which may be guaranteed for this purpose; the terms and conditions for using such funds and including the assumption by the Government of a direct obligation to reimburse the Canadian Wheat Board in event of default by the buyer.

6. In appraising the subject of possible sales to China of substantial quantities of grain, and particularly if credit is required, it should be noted:

(1) The demand situation in China affords an opportunity for Canada to develop our immediate and long-term interest in a market which may very well be a continuing buyer of wheat in volume. In this particular connection, there would be considerable advantage in consolidating our position as a supplier at this time.

(2) Volume sales to China would have a major impact on the Canadian wheat position. Given the level of wheat production experienced during the last few years, carryover stocks would be reduced to what could be considered a working inventory level. Additionally, increased marketings of grain by producers resulting from volume sales to China would substantially increase western farm income.

(3) Such credit sales may weaken Canada's bargaining position in restraining United States credit sales in other areas. There could also be interest on the part of other exporting countries and, in fact, Australia has already indicated that they are also examining further sales to China and have enquired about our intentions. The likelihood of adverse effects would depend in some degree on the extent to which our action was explained in advance to the United States and other interested countries. Insofar as this sale would remove a substantial quantity of wheat from western markets, it might in fact be welcomed and the friction among western countries over surplus wheat disposal might be lessened at least for a time.

(4) If the sale is for cash and if the agreement takes the form of a contract between the China Resources Company and the Canadian Wheat Board, it should not give rise to any special problems in our external relations. However, if credit is to be extended, both domestic and external attention, particularly in the United States, would be focused on such wider questions as our political relationship with China, including recognition. If credit were to be granted through normal export credit insurance arrangements involving an intergovernmental exchange of letters, the issue of recognition would be directly raised. It would seem desirable at next week's meeting of the Joint United States-Canadian Committee on Trade and Economic Affairs for Canadian Ministers to let their United States colleagues know, at least informally, of our interest in the China market, particularly since it is expected that there will be a full discussion of surplus disposal problems at this meeting. It can be safely assumed that the United States will already have some knowledge of the nature of the negotiations with China; moreover, there is also an obligation for all NATO countries to report any credits extended to countries in the Sino-Soviet bloc.

Conclusions

The Chinese proposal represents a potential transaction of great importance to Canada. In view of the various political and commercial implications, every effort should be made to sell for cash. However, given the potential volume of this business, limited credit not exceeding 180 days (a period not without precedent for private commercial sales) should be contemplated if this proves the only possibility, notwithstanding that uncertainty about China's foreign exchange position does not rule out the possibility of default. Given the two possible mechanisms for credit referred to in this memorandum, it would seem that fewer problems would be created by agreeing to extend the line of credit to the Wheat Board rather than amending the Export Credits Insurance Act.

It is recommended that:

(a) The Minister of Agriculture be authorized to instruct the Chief Commissioner of the Canadian Wheat Board to proceed with negotiations with representatives of the China Resources Company on the following basis:

- (i) Every effort is to be made to effect sales on a cash basis;
 - (ii) If sales on a cash basis cannot be negotiated, limited credit facilities may be extended provided the quantities involved are significant, with every effort being made to keep the credit period to a minimum and to obtain a cash down-payment.
 - (iii) In any event credit granted may not exceed a period longer than 180 days and a maximum value of \$75 million.
- (b) The Minister of Finance be authorized to increase the Government guarantee under which bank loans are made to the Canadian Wheat Board in an amount not to exceed \$75 million, to permit the Canadian Wheat Board to implement credit sales to China under the conditions set forth in (a) above.
- (c) The Government will seek parliamentary approval to assume the direct obligation to reimburse the Canadian Wheat Board in the event of default by the buyer.
- (d) The Governments of the United States and Australia should be advised of Canada's intention at the appropriate stage.

DONALD FLEMING
Minister of Finance

ALVIN HAMILTON
Minister of Agriculture

GEORGE HEES
Minister of Trade and Commerce

788.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], March 9, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson), Mr. D.F. Wall, Privy Council Office.

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PROPOSED SALE OF GRAIN TO COMMUNIST CHINA
(Previous reference February 2)

14. *The Minister of Agriculture* said the China Resources Company had tentatively proposed to buy about 190 million bushels of wheat and 47 million bushels of barley from Canada over a 2½ year period, if flexibility in payment arrangements could be negotiated and subject to several other conditions. Subsequently, this offer had been confirmed by the government of the Chinese People's Republic. This transaction would involve grain exports to a value of about \$400 million. The wheat would be Grades 2 and 3.

Farm income in Canada had been declining over the past decade while industrial incomes had been rising, and this proposed sale would go far toward the elimination of Canada's surplus of stored grain. It would stimulate the entire national economy. The government of Canada might save as much as \$50 million in grain storage charges.

The strongest argument against the proposal was the fact that a communist country was involved. The United States would have probably no objection if the transaction were a cash sale like the previous sale, but this proposal involved credit for a term of up to 180 days. If necessary, the Bank of China would be prepared to guarantee payment.

An explanatory memorandum was circulated. (Joint Memorandum, Ministers of Agriculture, Finance and Trade and Commerce, March 9 – Cab. Doc. 119-61.)

15. *Mr. Hamilton* went on to say that he had received a telegram from Australia stating that Communist China was also negotiating with that country. Australian ports, however, could not move the quantities involved, and therefore Communist China would probably be depending upon receipt of supplies from Canada. They would probably agree to shipment from ports on the St. Lawrence in addition to West Coast ports. The Australian authorities had enquired as to the Canadian attitude on sales to Communist China. The urgency of the negotiations was probably related to the recent crop failure in that country, but it should be noted that deliveries over a period of 2½ years were involved.

16. *During the discussion* the following points were raised:

(a) The transaction represented the greatest opportunity that Canada had been given in many years to dispose of its grain surplus, and would provide a great stimulus to the national economy.

(b) The proposal should be further investigated to ascertain that the grain would not be misused, for example to build stockpiles in anticipation of military operations. Some Canadian grain would probably be sent by the Chinese to Southeast Asia. The possible value of a guarantee from the Bank of China should also be assessed.

(c) The sale would hamper the efforts the government of Canada had been making to eliminate the premium on the Canadian dollar in the United States. Any relief provided by the Supplementary Budget had now been exhausted, and the premium was again easing upward.

(d) Neither opposition party was likely to criticize this proposal because they would alienate the farm vote if they did so.

(e) The U.S. should be informed but not "consulted." Some Ministers said that the extension of credit by Canada to Communist China might cause serious concern in the U.S., and might lead to retaliation, e.g. in defence sharing or in the form of a reduction of U.S. capital investment in Canada. On the other hand, the U.S. was making arrangements for a gift of 1.4 billion bushels of grain to Pakistan, a Commonwealth country, and had not consulted Canada. The proposed sale to China would help the U.S. to dispose of its grain surplus by reducing competition from Canada. Perhaps the best course would be to mention the negotiations in general terms informally to the U.S. Secretary of Agriculture next week.

(f) As the Minister of Finance already had the authority under the Wheat Board Act to authorize the extension of credit in such cases, additional legislation would not be needed unless a default should occur. Default was highly unlikely in respect of initial deliveries because the remaining deliveries would be cancelled forthwith by Canada. Any possible default in final payments would be offset by the large savings in grain storage charges.

(g) The official representing the government of Canada in the negotiations should try to arrange the deal on a cash basis. If this should fail, he might then undertake preliminary negotiations on the extension of limited credit, but should report back to the Cabinet before agreeing to any such credit arrangement.

17. *The Cabinet* agreed,

(a) that the Minister of Agriculture be authorized to instruct the Chief Commissioner of the Canadian Wheat Board to proceed with negotiations with representatives of the China Resources Company on the following basis:

(i) every effort should be made to effect sales on a cash basis;

(ii) if sales on the scale contemplated could not be negotiated on a cash basis, Ministers should be prepared to give consideration to extending limited credit facilities, with every effort being made to keep the credit period to a minimum and to obtain a cash down payment; and

(iii) in any consideration of granting credit, the terms should require a down payment of 25 per cent against delivery and the term of credit should not exceed 180 days and a maximum risk at any one time of \$50 million;

(b) that, in the event that Ministers decide to permit an element of credit, the Minister of Finance should at that time be authorized to increase the government guarantee under which bank loans were made to the Canadian Wheat Board in an amount not to exceed \$50 million, to permit the Canadian Wheat Board to implement credit sales to China under the conditions set forth in (a) above;

(c) that, in the event of default, the government would invite Parliament to reimburse to the Canadian Wheat Board the amount of the loss incurred;

(d) that the Minister of Agriculture be authorized to communicate privately to the Secretary of Agriculture of the United States, at the forthcoming meeting of the Joint Committee on Trade and Economic Matters, the fact that consideration was being given by the government of Canada to further sales of grain to China on a cash basis, but that, if cash sales proved impossible, the Canadian government was prepared to consider facilitating short-term credit; and

(e) that the Minister should not communicate with the representatives of the government of Australia until after the meeting at Washington. (N.B. As approved by Mr. A. Hamilton)

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789.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], April 11, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),

The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

PROPOSED SALE OF WHEAT AND BARLEY TO CHINA
 (Previous reference March 9)

9. *The Minister of Agriculture* said that, as directed by the Cabinet, a Canadian mission had been negotiating in Hong Kong with the China Resources Company for the sale of wheat and barley to China, and had reported that an arrangement could not be concluded on a cash basis. If agreement could be reached on a credit period, a firm sale contract could be concluded for about 40 million bushels of grain, and a letter of intent covering a total of 230 million bushels over a period of 2½ years, including this initial 40 million bushels, could be obtained. The mission proposed to continue negotiations on the basis of 25 per cent cash, a maximum credit risk of \$50 million and a maximum credit period of 180 days. If it should appear that the sale could not be arranged on the basis of 6 months' credit, the mission requested authority to agree to a 9-month credit period. The purchase agreement for the initial 40 million bushels would not be completed by the mission without a commitment of some kind covering purchases over the period of 2½ years.

An explanatory memorandum had been circulated, (Minister's memorandum, April 11 – Cab. Doc. 151-61).†

10. *During the discussion* the following points were raised:

(a) A maximum credit limit of \$50 million was far less significant in relation to a sale of 40 million bushels than in relation to a single sale of 230 million bushels as originally proposed.

(b) If a credit period of 9 months should be allowed for the initial transaction, the bargaining position of the government of Canada might be weakened when the larger transaction was negotiated some months hence.

(c) The difference between a 6-month and a 9-month credit period would not be politically significant in Canada.

(d) The China Resources Company was also negotiating with Australia, but no information was available on the status of these negotiations.

(e) Payment for the grain would be in convertible sterling, and this would hamper efforts to reduce the premium on the Canadian dollar in U.S. currency.

(f) The proposed sale offered the only possibility of solving the chronic problem of the grain surplus, and should not be jeopardized by a refusal to agree to a modest extension in the period of credit.

11. *The Cabinet* agreed,

(a) that the Minister of Agriculture be authorized to instruct the Chief Commissioner of the Canadian Wheat Board to conclude an agreement for the sale of about 40 million bushels of wheat and barley to the China Resources Company on the basis of 25 per cent cash and the balance payable in a period not exceeding 180 days from the date of each shipment, the outstanding credit balance not to exceed \$50 million at any one time;

(b) that receipt of an agreement of intent and undertaking covering approximately 180 million bushels of wheat and 46 million bushels of barley over a period of 2½ years, including the amount mentioned in (a) above, would be an integral part of the negotiations;

(c) that, if the initial agreement could not be concluded on the basis of a credit period of 6 months, the Minister of Agriculture should instruct the Chief Commissioner to agree, as a last resort, to a maximum credit period of 9 months for this initial transaction; and,

(d) that the Minister of Finance be authorized to increase the government guarantee under which bank loans were made to the Canadian Wheat Board in an amount not to exceed \$50 million, to permit the Canadian Wheat Board to make credit sales to China under the conditions set forth in (a) above.

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790.

DEA/9030-40

*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 12, 1961

SALE OF GRAIN TO CHINA

Now that Cabinet has approved the recommendations in Mr. Hamilton's memorandum of April 11 concerning credit terms for the large scale sale of wheat and barley, it may be expected that the current negotiations in Hong Kong will be concluded fairly quickly. We understand that Mr. Hamilton intends to make an announcement at the first sitting of the House following receipt of confirmation of this.

2. The question of informing the United States Government about this therefore arises. It would be very much to our advantage to let the U.S. Government know *before* the announcement is made in the House. This would reinforce the close relations that have existed for many years between our two countries in the area of consultations on agricultural matters of mutual interest. In particular it would safeguard the claim we have on them to be kept informed of major developments involving large U.S.A. grain movements abroad, and it would also be consistent with the Cabinet decision of a month ago that Mr. Hamilton should forewarn Mr. Freeman at the Washington joint-Cabinet Committee meetings of this possible credit wheat sale to China.

3. I would therefore recommend that you call in the United States Ambassador, or alternatively instruct Mr. Heeney to call on Mr. George Ball, to alert him to the impending announcement. If you agree, you might wish to discuss this with Mr. Hamilton, and plan to have this done not later than tomorrow or Friday.⁶⁶

E.A. R[ITCHIE]
for Under-Secretary of State
for External Affairs

791.

DEA/9030-40

*Note de l'adjoint spécial,
Bureau du secrétaire d'État aux Affaires extérieures,
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Special Assistant,
Office of Secretary of State for External Affairs,
to Under-Secretary of State for External Affairs*

CONFIDENTIAL

[Ottawa], April 13, 1961

Reference: Memorandum to the Minister dated April 12, 1961.

SALE OF GRAIN TO CHINA

The Minister has set aside the above-mentioned memorandum, recommending early action to alert the Americans to the impending announcement, for further consideration and consultation with his colleagues. His initial reaction was that there might be grave risks in taking this step until final confirmation is received that the Chinese have in fact reached agreement with our negotiating team. Not only would it be undesirable to spread knowledge of a deal that still might not be consummated, but the Minister felt there was also some possibility of the Americans exerting extreme pressure to have us withdraw from the deal.⁶⁷

ROSS CAMPBELL

⁶⁶ Notes marginales :/Marginal notes:

Just before announcement *not earlier*. H.C. G[reen] 17/4

This decision was taken after SSEA consulted PM. R. C[ampbell] 17/4

⁶⁷ Note marginale :/Marginal note:

Noted. [N.A.] R[obertson]

792.

DEA/9030-40

*Le délégué commercial à Hong Kong
au sous-secrétaire d'État aux Affaires extérieures
Trade Commissioner, Hong Kong,
to Under-Secretary of State for External Affairs*

LETTER NO. 67
CONFIDENTIAL via Diplomatic Bag

Hong Kong, April 19, 1961

CANADIAN WHEAT BOARD MISSION TO CHINA

Dear Sir:

The Canadian Wheat Board Mission led by W.C. McNamara, Chief Commissioner, and including D.H. Treleaven and C.E.G. Earl, departed for Peking on Saturday, April 15th. Although permission had been granted for me to accompany the group, it was decided that our best interests would be served by my not going. The course of events leading up to this decision was as follows:

After three weeks of hard negotiations in which both Mr. Forsyth-Smith and I participated, the Wheat Board and China Resources had narrowed their basic differences on sales to China to a single outstanding matter of three months in credit terms. The Chinese had accepted in principle a long-term contract covering the next 2½ years, the extension of \$50 million worth of credit, and a down-payment by the Chinese of 25% cash on each shipment, but were demanding a usance period of nine months whereas the Wheat Board was holding out for six months. At this juncture in the negotiations L.C. Pu, Assistant General Manager of the China Resources Company (who has not been a member of the Cireco negotiating team but has confined his efforts to the Australian deals), telephoned Mr. McNamara to ask for a personal meeting. At this, he made the point merely as "an old personal friend" that it might be useful for the Wheat Board officials to visit Peking to meet Cireco's principals. On the basis of this conversation both Mr. Forsyth-Smith and I were convinced that it would be advantageous for the Wheat Board officials to visit Peking and we urged them to do so, not only to speed the conclusion of current contract negotiations but also in the interest of future trade with China. Mr. McNamara advised Mr. Pu that he would be willing to go and stated that he wished me to accompany the group. Mr. Pu replied that, if Mr. McNamara insisted, I could of course proceed with the Board officials but made it clear my doing so would not be favoured by the Chinese side because I was a member of the Department of External Affairs. After full consideration, Mr. Forsyth-Smith and I concluded that, rather than insist on my accompanying the Wheat Board officials to Peking, it would be wiser to forego this trip to ensure subsequent approval to accompany Mr. Forsyth-Smith on our projected trade promotional trip in May. My services might have been of some benefit to the Wheat Board but, because of the advanced stage already attained in the wheat negotiations, it appeared to all concerned that I would be more useful on the trade promotional trip in May than on the present one.

When they departed, the Wheat Board officials expected to be able to conclude their discussions in Peking today in order to fly to Canton tomorrow and return to Hong Kong on Friday, April 22nd. It is my personal opinion that this schedule is very optimistic as, on the basis of past performance, the Chinese will almost certainly delay their departure beyond tomorrow.

It has been clear throughout the negotiations that the Chinese are anxious to obtain an additional million tons of grain from Canada before the end of this year and they have

maintained throughout that comparable quantities to 1961 purchases will follow in the next two years. The Wheat Board officials have made it clear that the extension of credit this year hinges upon Chinese agreement to a long term contract over the next 2½ years. In addition they have stipulated that approximately \$2 million of the \$50 million credit should be allocated to Canadian flour exports. At the time of their departure for Peking details about deliveries, positions, rate of interest, prices, etc., had not been negotiated although the Canadian position had been made clear on the need for six percent interest (as opposed to the Chinese offer of 4 percent), and the inclusion of an element in future prices to cover the Wheat Board on their Sterling operations since the Chinese had insisted on Sterling payment.

Although a six month credit period would be easier to operate and offers a number of advantages from the Canadian standpoint, it seems clear that the Chinese require a longer period. This is understandable because six months would hardly allow them enough time to market this year's agricultural exports abroad in sufficient volume to commence repayment of the credit. A nine month period would probably provide them with just enough time to do so. It is quite possible that they may agree to the six month period if the Wheat Board holds out but, in my personal opinion, it would be a mistake to do so because of China's poor economic situation at the present time. If we press them into six months against their wishes and needs it will be remembered and held against us when future trade is considered.

In lighter vein, it was gratifying to be able to sit on the side of the conference table which was pointing out that the absence of Sino-Canadian diplomatic relations made it impossible for Canada to extend credit to China on similar terms to that obtained by Poland and Czechoslovakia which is only possible on a government to government basis. Mr. Forsyth-Smith and I, having heard the same type of reasoning advanced for lack of Chinese interest in Canadian products ad infinitum on our trips to China, could hardly be grugged an internal chuckle to find ourselves participating in negotiations when the shoe was on the other foot!

Three officials of the Australian Wheat Board arrived in town yesterday to commence negotiations with China Resources for further Australian sales. It is our understanding that the Australians are prepared to offer China 500,000 - 750,000 tons on credit terms and have several alternative propositions in mind including a range of between 25 and 33⅓% down payment and various usance periods ranging from six months to a year.

Yours very truly,

C.J. SMALL

793.

DEA/9030-40

*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 28, 1961

SALE OF GRAIN TO CHINA

I wish to report that on April 22 Mr. McNamara signed a long term agreement with the Chinese authorities in Peking for the purchase from Canada of between three and five million tons of wheat prior to the end of 1963 together with between 600,000 and one million tons of barley in the same period. Mr. McNamara also made a firm sale contract covering delivery prior to November 30 of this year of 750,000 long tons of wheat (60 percent No. 2 Northern, balance No. 3, of which 300,000 tons will move out through the St. Lawrence Seaway). There

was also a contract for 360,000 tons of barley to be delivered by the Pacific before November 30, and in addition the Chinese have agreed to purchase approximately 30,000 tons of Canadian flour within the same delivery period.

2. The terms of these sales were 25 percent cash with the balance in nine months at 5½ percent interest; all sales were for sterling. We understand that Mr. Hamilton will be leaving Hong Kong on Monday, which should bring him back to Ottawa on the same day, Ottawa time. We expect that either Mr. Hamilton or the Prime Minister will wish to make a statement in the House about these large grain sales to China probably on Tuesday, but certainly no later than on Wednesday. We shall of course let the United States Government know before hand on a confidential basis. Mr. Hamilton agreed to this course of action before he left for Hong Kong.⁶⁸

A.E. R[ITCHIE]
for Under-Secretary of State
for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

Compte rendu
Statement

[Ottawa], May 1, 1961

I. Sales to China involving deliveries this year:

(a) Wheat, ex St. Lawrence:

300,000 long tons = 11,200,000 bushels,
worth approx. \$19,152,000

(b) Wheat, ex Pacific ports:

450,000 long tons = 16,800,000 bushels,
worth approx. \$28,728,000

(c) Barley, ex Pacific ports:

360,000 long tons = 16,800,000 bushels,
worth approx. \$15,456,000

(d) Wheat Flour

30,000 long tons = 1,500,000 bushels,
Wheat equivalent, worth \$2,565,000

NOTE: These sales total 46,300,000 bushels, thus exceeding the cash sales last January of 40,100,000 bushels of grain. The aggregate for 1961 is 2,200,000 tons, or 86,400,000 bushels, worth \$129,000,000.

⁶⁸ Notes marginales :/Marginal notes:
Get comparative statement of 2 China deals re
(a) dollars
(b) tons
(c) bushels. R. C[ampbell] 1/5/61
Supplied 2/5/61. R. C[ampbell]
Attached [Auteur inconnu/Author unknown]

- II. Letters of intent were exchanged relating to the period ending December 31, 1963, during which time between three and five million tons of wheat and between 600,000 and 1,000,000 tons of barley will probably be sold. Converted, these would be:

3,000,000 tons	=	112,000,000 bushels
5,000,000 tons	=	186,700,000 bushels
600,000 tons	=	28,000,000 bushels
1,000,000 tons	=	46,700,000 bushels

The value of the minimum shipments would be \$220,000,000, approximately, and of the maximum, \$365,000,000. The Wheat Board hopes to ship \$150,000,000 worth of grain in 1962 and again in 1963.

794.

DEA/9030-40

*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], June 6, 1961

DIFFICULTIES RE SHIPMENT OF GRAIN BY TANKER TO CHINA

Much of the grain being shipped to China from Eastern Canadian ports is to be carried by oil tankers which have been chartered by the Chinese authorities for this purpose. Oil tankers used to carry grain require special unloading equipment, namely suction devices called vacuators for drawing out the grain. This equipment for five oil tankers was ordered some time ago from the United States firm Dunbar Kapple of Batavia, Illinois. Yesterday shipping agents for the *Belfast*, Norwegian owned, and for the *Eskfield*, United Kingdom owned, telephoned the Department of Trade and Commerce to say that delivery of five vacuators for each ship was being held up on instructions of the United States Treasury on the basis of Foreign Assets Control regulations. The agent for the *Belfast* indicated that the Norwegians were making representations in Washington for the release of the equipment on order for the *Belfast*. The sailing of the *Belfast* is now being held up by this difficulty. The equipment is physically at Quebec City consigned to the manufacturer whose representative was to take delivery and apparently assist in the installation. He has now been ordered by the United States Treasury to ship it back to the United States. Some 8,000 bushels had already been loaded on the *Belfast* but loading has now been stopped.

This would seem to be a rather extreme application of FAC regulations since the equipment will not pass to the Chinese but will be the property of the owners as ships' stores. However, since the ships are currently on charter to the Chinese authorities, the FAC regulations can no doubt be made to cover the case. One of the agents thought there was no alternative source of supply but the other indicated that the problem was mainly of the delay involved in seeking another source. Although the United States authorities may be strictly within their rights in applying FAC regulations, the fact that the shipment of grain to China is involved could cause a difficult public reaction. The agents of the *Belfast* have already had press enquiries, but they have so far avoided any public statement.

It was agreed yesterday that Trade and Commerce, which had the full information from the shipping agents, would telephone the details to our Embassy in Washington and ask them to make enquiries of the United States authorities and indicate our concern that nothing should be

done to impede or delay the shipment of this grain on schedule to China. We also spoke to the United States Embassy here.

There are still apparently some 140,000 tons of grain to be shipped from eastern Canada mostly by tanker, and four other tankers besides the *Belfast* have orders outstanding for this equipment. We have also been informed that in the past some other tankers have obtained this equipment from the United States and have used it on deliveries to China.

A.E. R[ITCHIE]
for Under-Secretary of State
for External Affairs

795.

DEA/9030-40

*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 7, 1961

UNLOADING EQUIPMENT FOR THE CHINA WHEAT SHIPS

Ambassador Heenev has given us several oral reports during the day on the progress being made with the US authorities on this matter. He has discussed the subject with Under Secretary Bowles and particularly with Mr. Ivan White, the Deputy Assistant Secretary for European Affairs, who has been making strenuous endeavours to get action agreeable to us. Mr. Heenev has also talked informally with the Chairman of the Senate Foreign Relations Committee who had been consulted by Bowles on the matter. Under Secretary Bowles has also discussed the possibilities with Mr. Dillon, the Secretary of the Treasury, who is absent in Connecticut. Ambassador Heenev has found on all sides a genuine desire to go as far as possible to ease the situation within the limits of existing US laws.

2. The position at the moment is that Mr. White is in the process of clearing a policy statement along the lines that the United States Treasury Department is prepared to licence exports of these items of equipment to ships in Quebec engaged in carrying wheat to mainland China, in those cases where orders have already been received by the supplier company in the United States. The proposed statement would emphasize that this action is being taken as an accommodation to the Government of Canada and it not to be regarded as a precedent.

3. Mr. White is not certain of the actual number of suction pumps already on order with the Illinois company but his impression is that the quantity is likely to be sufficient to meet the requirements of tankers loading within the next three or four weeks. This tapering-off of shipments should therefore allow time for alternative sources of supply to be developed.

4. We have indicated to Ambassador Heenev our hope that such a policy statement could be cleared before 11 a.m. tomorrow and that its release could be timed to coincide with any statement which you might wish to make in the House.⁶⁹

5. Ambassador Heenev has of course urged that this advance indication of the lines on which the US Administration is working should be kept quite confidential until its release has been approved.

⁶⁹ Voir Canada, Chambre des Communes, *Débats*, 1961, volume VI, pp. 6230 à 6231.
See Canada, House of Commons, *Debates*, 1961, Volume VI, pp. 6016-17.

6. I think you will agree that the US authorities are going a considerable distance to avoid unnecessary difficulties for Canada, even though the action which they are contemplating may well involve embarrassment for them in relation to their own companies and public.⁷⁰

H.C. G[REEN]

796.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], June 16, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair (for morning meeting only)
 The Minister of Finance (Mr. Fleming) in the Chair (for afternoon meeting)
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan) (for afternoon meeting only)
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean) (for morning meeting only)
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker) (for morning meeting only)
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion) (for morning meeting only)
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

FURTHER SALE OF WHEAT TO CHINA
 (Previous reference April 11)

11. *The Minister of Agriculture* said that the China Resources Company, Hong Kong, had requested the Canadian Wheat Board to enter into an agreement for the sale of an additional 160,000 tons of wheat to China during August, September and October, 1961. Shipment would be from St. Lawrence ports, under the same terms as the first contract under the long term Agreement.

The Cabinet had previously authorized the Minister of Finance to increase the government guarantee under which bank loans were made to the Canadian Wheat Board in an amount not exceeding \$50 million to enable the Board to make credit sales to China. This maximum should be raised to \$100 million so that the additional sale could now be made.

⁷⁰ Note marginale :/Marginal note:
 Noted by PM June 7. H.B. R[obinson]

An explanatory memorandum was circulated, (Joint memorandum, Ministers of Trade and Commerce and Agriculture, June 15 – Cab. Doc. 253-61).†

12. *During the brief discussion* some said that the extension of this added credit to China would be a calculated risk, but that the proposal should be approved.

13. *The Cabinet* agreed,

(a) that the Minister of Agriculture be authorized to instruct the Canadian Wheat Board to conclude an agreement with the China National Cereals Corporation for the sale of 160,000 tons of wheat for shipment during the summer of 1961 on the basis of 25 per cent down and the remainder payable in a period not exceeding nine months;

(b) that the Minister of Finance be authorized to increase the government guarantee under which bank loans are made to the Canadian Wheat Board in an amount not to exceed \$100 million, to enable the Canadian Wheat Board to make credit sales to China to the maximum amounts provided for in the Long Term Agreement;

(c) that the Minister of Agriculture be authorized, following consultation with the Minister of Finance, to approve further credit sales by the Canadian Wheat Board to the China National Cereals Corporation within the overall credit limitation of \$100 million and on credit terms no less favourable to Canada than those approved by Cabinet for the first sales contract.

...

797.

DEA/9030-70

*La délégation à la Conférence sur le Laos à Genève
au secrétaire d'État aux Affaires extérieures*

*Delegation to Conference on Laos, Geneva,
to Secretary of State for External Affairs*

TELEGRAM 869

Geneva, June 16, 1961

SECRET. OPIMMEDIATE.

Repeat for Information: Washington, London, NATO Paris, Paris, New Delhi (OpImmediate), Moscow (OpImmediate) from Ottawa.

TALK WITH CHINESE FOREIGN MINISTER – WHEAT

When Chinese Foreign Minister came to discuss problems related to Conference on Laos on which I have reported in a separate telegram,† he took occasion to express appreciation of Peking authorities with regard to attitude adopted by Canadian Government in supplying wheat and overcoming difficulties with regard to evacuees.

2. Chen Yi noted that Canada apart from USA is main source of surplus wheat in world and that his government intended to continue purchases on an annual basis, not repeat not just to meet famine conditions of current crop year. Intent would be to build up a wheat reserve in China to overcome lean years. He recalled that demand for wheat in Northern parts of their country was a continuing factor in Chinese economy.

3. Chen Yi said that this kind of economic contact, like cultural contacts such as visit of Peking opera, could be useful in establishing good relations without altering formal legal position of non-recognition.

[H.C.] GREEN

4^e PARTIE/PART 4JAPON
JAPAN

SECTION A

VISITE DU PREMIER MINISTRE HAYATO IKEDA À OTTAWA,
LE 25 ET 26 JUIN 1961
VISIT OF PRIME MINISTER HAYATO IKEDA TO OTTAWA,
JUNE 25-26, 1961

798.

DEA/12850-J-12-2-40

*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], April 24, 1961

INTERVIEW WITH THE JAPANESE AMBASSADOR

You may find the following notes concerning relations with Japan to be useful when you meet the Japanese Ambassador on April 25.

Visit of the Japanese Prime Minister

2. Prime Minister Ikeda, accompanied by Foreign Minister Kosaka, is to visit Ottawa on June 25-26 after his meeting with President Kennedy in Washington. Now that the issue of the Japan-United States Security Treaty has been settled, Japan's greatest concern in the foreign relations field is the question of Communist China and Japan's relations with that country. Mr. Ikeda will very likely wish to hear your views on this subject and other international problems, as well as to discuss problems in our relations with Japan.

3. 1961 Consultation on Quotas for Japanese Imports

The consultations this year have been long and difficult but agreement has now been reached, or seems to be in sight, for most items. The important textile items, for example, have now been largely settled on terms that seem to be mutually satisfactory. Agreement has also been largely reached with respect to radios and radio tubes.

4. The chief item outstanding is that of stainless steel flatware. On this a compromise proposal has been put to the Japanese and their reply is awaited. In the meantime, they have been sending in shipments on an interim basis, but they have been notified that if such interim shipments exceed 100,000 dozen a quarter (before agreement is reached on the annual figure), some restrictive measure will have to be taken. In practice this could only be imposition of arbitrary values. Shipments are now close to the 100,000 point for the current quarter so it is a matter of urgency to reach final agreement at once on the annual quota.

5. Legal Claims Against Japan

Another problem in our relations with Japan concerns Canadian legal claims against Japan under Article 18(a) of the Peace Treaty. There are only four such claims arising out of damages caused during the Sino-Japanese War. At the present time we are awaiting additional data from the four Canadian claimants with which we hope to be able to persuade the Japanese to settle these long outstanding claims on the basis of some form of lump-sum payment.

6. *Immigration*

In recent months there have been some indications that the Japanese are becoming more sensitive about features of Canadian immigration policy which they feel involve a degree of discrimination against them. However, there have been no official moves by the Japanese in this regard and we would not expect them to raise the matter for some time. Japanese interest in establishing industries in Saskatchewan seems to have waned, mostly for economic reasons, but the Saskatchewan Government seems to have retained some interest and the Japanese may yet return to the matter.

7. *Cultural Relations*

During the past few years cultural contacts with Japan have been increasing steadily. This year, for example, about twenty-four Japanese students will be able to study in Canada under grants provided by the Canada Council and the National Research Council. Recently an exhibit of Japanese paintings was held in a number of Canadian cities and at the present time the Montreal Bach Choir is giving concerts in Japan. There have been no indications that the Japanese wish to conclude a cultural agreement or take any other active measures to increase cultural contacts.⁷¹

H.C. GREEN

799.

DEA/12850-J-12-2-40

Note d'information

Briefing Note

[Ottawa], June 15, 1961

JAPANESE VOLUNTARY QUOTAS ON EXPORTS TO CANADA

Trade between Canada and Japan is governed by the Trade Agreement of 1954. In 1953, the last full year before the Agreement was signed, the value of Canadian exports to Japan was \$119 million, while imports were valued at \$14 million. Since then, trade has increased substantially in both directions. In 1960 record levels were reached with exports of \$178 million and imports of \$110 million. Canada values Japan as an important and expanding market for foodstuffs and industrial raw materials. In 1960, wheat accounted for \$82 million worth of Canadian sales to Japan.

The difficulties which have arisen in regard to imports from Japan result not so much from the general level of shipments as from their concentration in certain sensitive sectors such as textiles, electronics and rubber footwear. Although the Trade Agreement of 1954 contains an escape clause whereby Canada reserves the right to apply fixed values for duty in the event of damage to Canadian industry, the clause has never been invoked. Instead, Canada has attempted to solve the various problems which have arisen by frank and friendly consultations with the Japanese authorities. These consultations have resulted in an extension of the Japanese voluntary export quota system, a system which we understand Japan recognizes to be in her own long-run interest.

⁷¹ Note marginale :/Marginal note:
Not sent.

Canada wishes to see trade with Japan expand further in both directions. We believe that Japan can best expand her exports to Canada by shipping goods which do not compete directly with Canadian manufactures. Canada is willing to see growth even in Japan's exports to Canada of sensitive products, provided that this growth is orderly. By orderly growth, we have in mind increases of about 5 to 10 per cent in a year during which the Canadian economy is buoyant and demand for the product in question is rising. It does not mean that increases will be appropriate for every product every year or that decreases cannot be contemplated in exceptional circumstances.

Japan has drawn to our attention her fears about Hong Kong and other countries expanding their exports to Canada under the umbrella of the Japanese quota restrictions. In March of this year, Canadian officials visited Hong Kong for consultations regarding the introduction of voluntary quotas on certain exports to Canada. Further talks were held in London in May, and as a result of these discussions the Hong Kong Government is now consulting with the Colony's textile industry concerning the desirability of applying voluntary quotas on certain exports to Canada and the United States.

Canada is giving strong support to President Kennedy's initiative for an international settlement affecting trade in textiles. We hope Japan will co-operate in this programme which is directed towards obtaining better access to the principal European countries for exporters of low-costs textiles and avoiding disruption of North American markets.

800.

DEA/12850-J-12-2-40

*Note d'information**Briefing Note*

[Ottawa], June 15, 1961

POSSIBLE ESTABLISHMENT OF A CANADIAN-JAPANESE
MINISTERIAL COMMITTEE ON ECONOMIC QUESTIONS

Senior Japanese officials, including the Ambassador in Ottawa, Mr. Hagiwara, and the Japanese Permanent Representative to the U.N., formerly Ambassador in Ottawa, Mr. Matsudairi, have suggested from time to time that it would be desirable to set up a Canada-Japan Ministerial Committee which would meet, perhaps annually, in Ottawa or Tokyo to discuss economic questions of mutual interest. It is possible that the Japanese Prime Minister may bring up this suggestion during his visit.

2. Strictly speaking, the only parallel bilateral arrangement which we now have is the Canada-U.S. joint Committee on Trade and Economic Affairs which consists of Canadian Ministers and U.S. Cabinet members or officials of Cabinet rank, and meets alternately in Ottawa and Washington each year. With the U.K. there is no comparable bilateral Ministerial meeting on a regular basis. There is, of course, the Commonwealth Economic Consultative Council which is a meeting of finance and economic Ministers from all Commonwealth countries, and there is also the Canada-U.K. Continuing Committee which consists of senior officials and meets annually in Ottawa or London. It would therefore be a development of some significance if Canada were to single out Japan as the only country other than the U.S. with which we had a regular bilateral Ministerial meeting on trade and economic questions.

3. The Japanese, if they made a definite proposal on this matter, would no doubt feel that it would be justified, first of all, in terms of the growing importance to both countries of Canada-Japanese trade. They are our third largest market, importing in 1960 Canadian merchandise to the value of approximately \$180 million, and Canada is undoubtedly of the greatest importance

to Japan as one of the few markets in the world which has been opened to substantial and growing imports of Japanese goods. The Japanese may also feel somewhat isolated as a far-eastern country which is committed to the western democratic camp but which does not have the regular contacts and consultations which flow from membership in such groups as the Commonwealth, NATO, or the OECD.

4. A serious possible danger in agreeing to such a ministerial committee would be that the Japanese might attempt to take up in the committee detailed proposals relating to controls on Japanese exports to Canada. The present arrangement is that these controls are worked out between the Japanese Embassy here and an interdepartmental committee which is headed by a senior official of the Department of Finance and which reports to the Minister of Finance. Any attempt to transfer this detailed negotiation to a ministerial committee or to reopen there agreements already reached would have to be ruled out. A related danger would be that when serious difficulties arose in the negotiations with the Japanese they might try to delay decisions on the excuse that the issues were so important as to require Ministerial discussion in the committee.

5. On the positive side, such a committee might provide a useful occasion for a regular discussion with Japanese Ministers of the broad aspects of our economic relations and of economic problems in general. Japan is already an important Canadian market and could develop into a still more important market for Canadian exports. While the Japanese resent restraints of any kind on their own exports, they are by no means without their own controls and limitations against imports into Japan. Japan's trade liberalization programme has made rather slow progress to date and many of the principal items of interest to Canada still face restrictions. There is also in prospect a new Japanese tariff which may increase the duties on a number of items of interest to Canada. If the Japanese were to use a ministerial committee in part as an occasion to press for greater access to the Canadian market, there would also be quite adequate scope for similar representations by Canadian Ministers with respect to the Japanese market.

6. It also seems certain that the process of annual negotiations on Japanese imports must continue for some years; regular Ministerial talks, which kept clear of the actual negotiations, could make a contribution to fuller understanding, by both Governments, of the problems which each has to face, and might help to improve the atmosphere for practical solutions of particular difficulties which are bound to arise.

7. If the Japanese Prime Minister should raise this question it would be reasonable to indicate to him that the Canadian Government would be prepared to give the proposal careful study. The desirability of more frequent visits by Canadian Ministers to Tokyo and Japanese Ministers to Ottawa is recognized and it would be a matter for further consideration whether formal machinery for this purpose together with formal commitments as to the timing of such visits is necessarily the best method of achieving this.

801.

DEA/12850-J-12-2-40

*Compte-rendu d'une conversation entre le premier ministre
et le premier ministre du Japon*

*Record of Conversation Between Prime Minister
and Prime Minister of Japan*

SECRET

[Ottawa], June 26, 1961

1. *Khrushchev Speech*

Prime Minister Ikeda opened the conversation with a question regarding *Khrushchev's* recent speech.⁷² *Prime Minister Diefenbaker* replied that *Khrushchev* had declared in a speech the day before that the Soviet Union would surpass all other countries. He had conducted himself in a fashion sounding like Hitler at his worst and was at times unintelligible, even to the Russian people.

2. *Situation in the Far East*

Prime Minister Ikeda said that the Communist offensive in South East Asia would become stronger. The situation in Laos and South Vietnam allowed for no relaxation. Developments in Burma, though not as serious as other problems, were nevertheless of great concern.

3. *Korea*

It is important that the military régime in Korea should be given adequate guidance so that it will not get out of control. The Korean people are erratic and excitable and there is a great need for stability. Canada, the United States, Japan and other western countries should work together to restore stability to Korea. Because economic instability is the main cause of Korea's problems, guidance in the economic field is necessary.

4. The previous régime in Korea was corrupt; the present one is not democratic but is a military régime. There is great uncertainty what will take its place should it fail. General Pak is a North Korean and a former Communist. Many of the Korean officers involved in the new régime came from North Korea. Because of these dangers the West must not turn their backs on the new régime.

5. *Communist China*

China's current food shortage and crop failures, the poor success of the communes and the excessively rapid industrialization have resulted in a set-back of two or three years in China's developments. *Prime Minister Ikeda* believed the Peking régime to be unpopular but opposition would be suppressed. Because of her internal troubles China would attempt to divert attention to foreign matters and the West must be cautious. Later examples of diverting attention to foreign matters were Chou En Lai's visit to Burma with a huge retinue of 400 persons; China's adamant stand at the 81st Congress of Communist parties in Moscow in disagreement with the Soviet Union. All these activities seemed to divert Chinese popular attention to outside matters. China's methods of doing this in South East Asia are of special importance.

6. *Recognition of China*

Mr. Ikeda explained that the problem of China is a difficult one for Japan. Japan has had a long historical association with the Chinese people. There is also a sense of guilt among the Japanese because of Japan's military aggression in China. Perhaps ¼ or ⅓ of the Japanese

⁷² Voir/See "Khrushchev Sees Russian Economy Near U.S. Level," *New York Times*, June 25, 1961, p. 1.

people felt it unnatural to exclude China from the United Nations. President Kennedy would like some flexibility in U.S. policy but felt public opinion and the attitude in Congress restricted him. The State Department realized that the moratorium resolution at the United Nations would not succeed forever and that other means must be found to handle the matter.

7. *Problem of Formosa*

Prime Minister Ikeda said that a serious problem would arise when Chiang Kai Shek, who is already old, passed from the scene. His son, Chiang Ching Kuo, who is considered his successor, was partly educated in Moscow. The way of thinking of the Taiwanese people is different from that of the two million Chinese ruling there. There is an undercurrent of Taiwanese independence, although it is not strong. It was possible that Chiang's son would attempt to unite Taiwan with the mainland and the West must maintain vigilance. *The two Prime Ministers* agreed that the idea of Chiang Kai Shek recapturing the mainland was nonsense.

8. *Prime Minister Ikeda* remarked that the meeting of Commonwealth Prime Ministers showed some disagreement on the question of China and Formosa. It was essential that the free world should have full discussions on these problems.

9. *Canadian Views on China*

Prime Minister Diefenbaker felt that an error had been committed, perhaps, in not recognizing Communist China in 1949 or 1950 before events such as the Korean War took place. There is in Canada a growing view that something should be done to solve the problem. He felt that recognition of the Peking régime would be strongly criticized in Canada but would have to be accepted nevertheless. However, there would have to be adequate guarantees that Formosa would remain free and independent.

10. *Mr. Diefenbaker* observed that political considerations, as distinct from the legal ones mentioned above, were of great importance. He wondered about the affect on countries in South East Asia – Malaya for example – caused by the recognition of China and its implied recognition of communism as a philosophy.

11. *Mr. Ikeda* felt there would be some reaction and that this demonstrated all the more need for a common approach to the problem. [Prime Minister Ikeda appeared not to follow the meaning of the question.] *Mr. Diefenbaker* recalled that at the Commonwealth Prime Minister's conference there was no clear discussion or decision reached on these problems but it was inferentially considered that Communist China should be offered a seat in the United Nations on the basis of a guarantee of Formosan independence. This would serve to place the onus of responsibility for admission on China.

12. *Mr. Ikeda* remarked that most of the arguments heard in the world favoured China's admission to the United Nations on the principle of universality. There should be a greater stress on the necessity of Formosan independence.

13. *Mr. Diefenbaker* asked whether it could be agreed that China could be admitted to the United Nations by some arrangement that Formosa would remain independent. *Mr. Ikeda* replied that China could be admitted provided Formosan independence was guaranteed. However, Japan had important trade and treaty relations with the Nationalist Chinese Government on Formosa and it was difficult for Japan to propose a "two-China" solution.

14. *Mr. Diefenbaker* asked whether Japan could accept two Chinas in the United Nations. *Mr. Ikeda* affirmed that Japan could accept this but could not take any initiative to propose it. He expressed hope that other nations of the West would prepare such a policy. He had told President Kennedy that the moratorium resolution would no longer be of value and that he should develop other approaches to the problem.

15. *Sino-Soviet Disputes*

Prime Minister Ikeda said it was difficult to estimate the extent of Sino-Soviet rivalry and disagreement. Generally speaking, however, their alliance is based only on ideology; there is no long, close historical relationship between the two countries; the difference in tradition and temperament of the two peoples would not lend itself to a long continuation of the alliance. It seemed possible that China would develop an atomic weapon in two or three years and it would be unlikely for Russia to welcome this. Already there are examples of Russian reluctance to give full aid to China. For example there are still no power dams on the Yellow River and ships built in Dairen still lack the necessary diesel engines.

16. *Laos*

The two Prime Ministers agreed on the need to maintain a neutral and independent Laos.

17. *Economic Matters*

Prime Minister Ikeda explained Japan's plans to double her national income within ten years. This would result in the need for more ores and raw materials and wheat. He felt that Canada, more than any other country, would benefit by Japan's plan to double the national income. Japan's wholesale prices have increased very little because of shortage of timber and Japan would want to buy much more timber from Canada.

18. *Sale of Wheat to China*

Mr. Diefenbaker asked what Japan thought of Canada's recent wheat sale to China. *Mr. Ikeda* said he realized Canada had a surplus and China needed wheat. According to Japanese estimates, China possessed only \$200-250 million in foreign currency reserves and he would be interested to see if China could actually pay for it. *Mr. Ikeda* said laughingly that Canada should give equally good credit terms to Japan lest the Japanese come to feel that Canada preferred China to Japan.

19. *Ministerial Committee*

Mr. Kosaka wondered whether there would be any possibility of more regular visits by Canadian and Japanese Cabinet Ministers. *Prime Minister Diefenbaker* observed that in view of the increasing trade relations between Canada and Japan a step in that direction would be helpful. Such meetings and visits need not be as formally fixed as the recent arrangements between Japan and the United States but it would be a welcome development. *Mr. Diefenbaker* was aware that there might be feeling that Canada is disinterested [sic] in Japan. He felt that personal contacts are extremely important. This present meeting had enabled him to derive an impression of *Mr. Ikeda* and the Japanese Government to a greater degree than would have been possible by diplomatic channels. Meetings between Ministers would help remove misunderstandings. It is essential that the free nations cooperate with each other. If they have divergent views about serious international problems they will fall, ultimately.

20. *Trade Liberalization*

Prime Minister Ikeda explained that Japan hoped to liberalize trade as soon as possible; by March 1963 all trade restrictions would be removed. He also mentioned that two Japanese companies were working on the development of mines in Canada.

21. *Invitation to Visit Japan*

Prime Minister Ikeda renewed his invitation to visit Japan. *Mr. Diefenbaker* expressed interest in visiting Japan. It was agreed that a visit might possibly be arranged between the latter part of September and the early part of November.

SECTION B

VISITE DU PREMIER MINISTRE AU JAPON,
LE 27 AU 31 OCTOBRE 1961
VISIT OF PRIME MINISTER TO JAPAN,
OCTOBER 27-31, 1961

802.

DEA/4606-C-21-1-40

*L'ambassadeur au Japon
au secrétaire d'État aux Affaires extérieures
Ambassador in Japan
to Secretary of State for External Affairs*

TELEGRAM 427

Tokyo, November 1, 1961

SECRET (LIMITED DISTRIBUTION). OPIMMEDIATE.

VISIT OF PRIME MINISTER TO JAPAN – CALL ON PRIME MINISTER IKEDA

Mr. Diefenbaker paid a formal call on Mr. Ikeda on October 27. Mr. Ikeda said he was grateful for the cordial reception he had received in Canada in June, and Mr. Diefenbaker indicated his pleasure at being so warmly received in Japan. Mr. Ikeda expressed gratification at continued improvement in Japan-Canada relations.

2. Mr. Diefenbaker informed Mr. Ikeda of the plan agreed to by Canadian Government for the entry into Canada of Japanese nationals required in connection with the possible establishment of Japanese investments in Canada. Mr. Ikeda signified assent to this plan and said he had no repeat no objection to a public announcement. (This was included in Mr. Diefenbaker's speech of October 28.)

3. On South Korea, Mr. Ikeda said he saw some indication of increased stability in that country, and he mentioned that four problems (property claims; limitations on fishing (Rhee Line); status of Koreans in Japan; and Korea's need of economic aid) would be considered in the current Korean-Japanese talks. He said the Koreans had not repeat not formally requested a definite amount of aid but the figure of \$800 million had been mentioned. He said this was considerably beyond what Japan could provide. He expressed the hope that other nations would appreciate the anti-Communist stand of the present régime in Korea.

4. On Burma, Mr. Ikeda said the Burmese were pressing Japan for greatly increased reparations payments. He observed that Communist China had extended a substantial credit to Burma, providing for such things as a pulp plant, textile mill and rubber processing plant. He asked whether Communist China was paying for Canadian wheat promptly. Mr. Diefenbaker observed that the time for payment had not repeat not yet arrived, but he expressed surprise that despite a reported shortage of foreign exchange the Communist Chinese could extend foreign aid of the kind mentioned. He touched briefly on the visit to Canada of a Communist Chinese trade mission and mentioned also that some of the wheat sold to Communist China is going to Albania and East Germany.

5. On Southeast Asia Mr. Ikeda said the situation in that region was deteriorating. He expressed concern over the situation in Laos and the rupture of Thailand-Cambodia relations. He said that although Thailand viewed Cambodia as pro-Communist, Prince Sihanouk on his recent visit to Tokyo did not repeat not impress him that way. He said this quarrel between Thailand and Cambodia was unfortunate but he was confident that it would not repeat not be too long before diplomatic relations were restored.

6. Turning to the UN, Mr. Ikeda expressed gratification at continued Japanese-Canadian cooperation in the General Assembly. Mr. Diefenbaker agreed that it had been beneficial, particularly with regard to sponsorship of the resolution on nuclear testing.

[W.F.] BULL

803.

DEA/4606-C-21-1-40

*L'ambassadeur au Japon
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Japan
to Secretary of State for External Affairs*

TELEGRAM 428

Tokyo, November 1, 1961

SECRET (LIMITED DISTRIBUTION). OPIMMEDIATE.

Reference: Our Tel 427 Nov 1.

PRIME MINISTER'S VISIT TO JAPAN –
DISCUSSION WITH PRIME MINISTER IKEDA (OCTOBER 28)

Mr. Diefenbaker had a discussion meeting with Mr. Ikeda on October 28. Mr. Ikeda was accompanied by Foreign Minister Kosaka and Ambassador Ushiba. With Mr. Diefenbaker were Ambassador Bull and officials.

2. Mr. Ikeda said he was interested in Mr. Diefenbaker's thinking on: (1) Berlin and Germany; (2) Britain and the Common Market; (3) Japan's desire to join OECD.

3. *Berlin and Germany.* Mr. Diefenbaker said Canada believed in negotiation of the differences between East and West on this question. It was important to define what was not repeat not negotiable and what might be negotiable. The West could not repeat not negotiate on the right of unhampered ingress and egress into Berlin. The West could not repeat not tolerate interference with the right of the people of Berlin to live as they wished. He pointed out that Berlin is primarily the responsibility of the Three Western Powers with troops there, but that Canada too has a responsibility as a member of NATO. Coupled with that responsibility was the right of consultation, and this meant the right to place our views before the other NATO powers and the right to have those views fully considered.

4. As to what might be negotiable, Mr. Diefenbaker said that if the USSR entered into a separate peace treaty with East Germany, that was their business. The consequences of that action, however, would be of major importance. Too great an issue should not repeat not be made over the identity of the nation whose representatives signed the entry cards, but interference with free entry to West Berlin would be a different matter.

5. Mr. Ikeda asked if the main point was that the rights Mr. Diefenbaker had mentioned would be defended. Mr. Diefenbaker agreed, and said that if we gave way on those points we would have lost something important above all else – it would be apparent that we had betrayed the trust of those to whom we had given our pledged word.

6. Mr. Ikeda asked about Canada's attitude on nuclear weapons for West Germany. Mr. Diefenbaker said Canadian policy on nuclear weapons remained as he had defined it in February 1959. Even though the Bomarc sites in Canada would be more effective if the weapons had nuclear warheads, Canada would not repeat not accept nuclear weapons unless the USA were to alter the statutory prohibition that now exists and give Canada a joint right of control, absolute in its effect. As for nuclear weapons in Europe, Mr. Diefenbaker said only that there should be a high degree of NATO control.

7. Mr. Diefenbaker asked Mr. Ikeda for his views on Berlin and Germany. Mr. Ikeda said Japan was far removed from this question; it appeared, as the Japanese saying was, like a fire on the other side of the river. Japan had an interest in it, however, because it related to the problem of peace. He thought that the Soviet satellites had no repeat no desire for war over the Berlin issue and that most of the NATO countries were not repeat not inclined toward war over this matter. (Mr. Diefenbaker interjected that none repeat none of the NATO countries were inclined toward war.) Mr. Ikeda said he agreed that the entry visa question should not repeat not be a cause of war and that the West should be firm on the rights of the people of West Berlin. Full consideration should be given also to the feelings of the people of West Germany.

8. Mr. Diefenbaker said he had advocated bringing East and West Berlin together as a free city with a UN presence and responsibility. He realized, however, that the USSR would be unlikely to consider solutions that would achieve unity between East and West Berlin.

9. Mr. Diefenbaker said some people were doubtful about the wisdom of risking a war over the 2½ million people of West Berlin but a vital matter of principle was involved. Furthermore it was worth bearing in mind that about 20 percent of the member nations of the UN have less population than West Berlin and 50 percent of UN members have less industrial production. Mr. Ikeda agreed on the importance of maintaining the solemn pledges that had been given in regard to Berlin.

10. Mr. Diefenbaker reverted to the nuclear deterrent and said that Canada did not repeat not want to see any extension of nuclear weapons and was strongly against further nuclear testing. He said he wished the USA had waited for three or four weeks after the USSR had resumed testing before announcing its intention to resume USA tests. Mr. Ikeda said that Japan had lodged a protest with the USA.

11. On Japanese association with OECD Mr. Diefenbaker said he was aware that there has been some opposition in certain quarters to the entry of Japan into full membership of OECD. He said we recognized however that the presence of Japan in OECD would strengthen that organization, and Canada would look sympathetically at a Japanese application for admission. (At the conclusion of the talk the Foreign Minister asked whether it would be in order for the Chief Cabinet Secretary to tell the press that Canada would give sympathetic consideration to Japan's desire to enter OECD. Mr. Diefenbaker said it would be best not repeat not to say this at the present time. It would be of more benefit to all if Canada worked quietly in this direction without public attention.)

12. On Britain and the Common Market, Mr. Diefenbaker outlined the Canadian position in some detail. He emphasized that despite press references to the contrary, Canada had not repeat not taken the stand that the UK must choose between the Common Market and the Commonwealth. He said the UK had been told by other Commonwealth countries that there were no repeat no objections to discussions but that there must be full consultation at all stages and that if the UK found that there would be probable or potential detrimental effects for other Commonwealth countries arising from UK association with the Common Market a Prime Minister's Conference should be held.

13. In speaking of China problems, Mr. Ikeda said that neither Communist China nor Taiwan would subscribe to the two-China theory. He considered it important that Taiwan be kept in the free world and in the UN. Mr. Diefenbaker asked if he agreed that a committee of the UN study the matter and perhaps thereby postpone the question of Chinese representation for one or two years. Mr. Ikeda said that he could not repeat not be sure until he knew what the composition of the study group would be but that it would have the advantage of providing for an airing of views.

14. On Laos, Mr. Ikeda said that since Canada is a member of the International Control Commission he would express to Mr. Diefenbaker his view of developments there. The

situation was not repeat not good. There were problems between the UK and the USSR as joint chairmen of the Geneva Conference. He hoped that Canada would continue to use its influence to bring about a solution.

15. On South Vietnam, Mr. Ikeda said the USA seemed uncertain whether to send troops in or not repeat not. Japan had a direct interest in South Vietnam as a country to which it was providing reparations and other forms of assistance. He said the Japanese Government would discuss this further with Mr. Rusk this week and acquaint him with Japan's worries that the despatch of troops to South Vietnam might result in repercussions throughout the area. Japan thought that the South Vietnamese Government should be buttressed with economic aid. The Foreign Minister added that the sending of military forces by the USA would have an adverse effect on the situation in Laos. Mr. Ikeda said he hoped that Canada would also express the opinion to the USA that the sending of forces to Vietnam was not repeat not desirable at this stage and was not repeat not a matter which should be left entirely to the judgement of the USA. Mr. Diefenbaker made no repeat no comment.

16. On the question of the Canada-Japan Ministerial Committee Mr. Ikeda said formation of the proposed committee would facilitate solutions to economic problems and improve cultural relations. There was a large imbalance against Japan in the trade between the two countries, and Japan would like to see an amicable solution to this problem. He said that before Mr. Diefenbaker's departure he hoped to agree if possible on a date for the initial meeting of the committee. Prime Minister Diefenbaker said that he knew the Japanese wanted a meeting in January. He said he could not repeat not agree to any particular date at this stage because of uncertainty about the parliamentary timetable. He recognized the anxiety of the Japanese Government to get the Ministerial Committee going and he wanted to be cooperative. The Japanese Government could rest assured that the meeting would be held at the earliest possible date.

17. Prime Minister Diefenbaker said he would have something to say on trade in his speech later in the day.⁷³

[W.F.] BULL

804.

DEA/4606-C-21-1-40

*L'ambassadeur au Japon
au secrétaire d'État aux Affaires extérieures
Ambassador in Japan
to Secretary of State for External Affairs*

TELEGRAM 429

Tokyo, November 1, 1961

SECRET (LIMITED DISTRIBUTION). OPIMMEDIATE.

Reference: Our Tels 427 and 428 Nov 1.

VISIT OF PRIME MINISTER TO JAPAN –
TALK WITH PRIME MINISTER IKEDA (OCTOBER 31)

On Sunday, October 29, Ambassador Ushiba told me that there was some feeling among officials that there had not repeat not been sufficient time to discuss trade during Mr. Diefenbaker's meeting with Mr. Ikeda on Saturday, October 28 and that Mr. Diefenbaker had

⁷³ Voir « Voyage de M. Diefenbaker au Japon », *Affaires extérieures*, vol. 13, n° 12 (décembre 1961), pp. 414 à 418.

See "Mr. Diefenbaker Visits Japan," *External Affairs*, Vol. 13, No. 12 (December 1961), pp. 406-10.

put the Canadian position firmly on record at the Canada-Japan society luncheon, leaving no repeat no opportunity for the Japanese side to reply. After consulting Mr. Diefenbaker I assured Ambassador Ushiba that the Prime Minister would be delighted to see Mr. Ikeda again. At the Prime Minister's dinner at the residence (October 30) it was arranged that there would be a special meeting in the afternoon of Tuesday, October 31 to discuss trade matters.

2. Mr. Ikeda opened the discussion by congratulating Mr. Diefenbaker on his speech at the Canada-Japan society luncheon (October 28), stating that there were many points with which the Japanese side could agree but also pointing out that there were some points of difference. At this time he asked the Foreign Minister to put forward suggestions which some of his officials had raised.

3. Mr. Kosaka referred first to the question of trade balances and pointed out that Japan had to view trade balances on a global basis and that with North America there was a \$500 million deficit, while Japan enjoyed a favourable balance vis-à-vis Southeast Asia, of \$200 million. Mr. Kosaka said that Japan received many complaints from Southeast Asian countries as a result of this and that Japan must view the matter from both a political and economic point of view. He referred to the political importance of the economic treatment Japan gave to Southeast Asian countries. He said he would like all these factors taken into consideration when the matter of trade balances between Canada and Japan was discussed.

4. Mr. Ikeda said that he was happy to see trade develop between Canada and Japan but referred to the fact that a considerable amount of Japanese exports were under voluntary restraints. He mentioned specifically the reduction in the quota on stainless steel flatware which he said was a shock to the industry in Japan and to polyvinyl buttons, the restraint on which had raised a great amount of doubt in Japan because of the small value of the trade involved. He mentioned the difficulty which the Japanese Government had in convincing industry of the necessity for some of these quotas, and he spoke of the internal political implications. He expressed the need for exploring avenues for the expansion of trade on an orderly basis in terms of national interests. Mr. Kosaka then went on to say that when specific terms were being discussed, because of the necessity to convince the Japanese manufacturers and exporters, officials must be fully fortified with data, sometimes in great detail. Mr. Diefenbaker assured Mr. Kosaka that Canada would supply the fullest information.

5. Mr. Kosaka then made the remark that what he had said reflected Mr. Ikeda's sentiments and went on to make what I consider to be a most significant statement when he said that Ambassador Ushiba, who is an expert on trade matters and has a great understanding of the problems involved, was being entrusted with the negotiations with the Canadian Government. The implication was that Mr. Ushiba was being given far more freedom of action than Mr. Hagiwara his predecessor, and that Mr. Ikeda and Mr. Kosaka had full confidence in the actions and decisions he might take.

(a) (Mr. Ikeda has also told us personally that he chose Mr. Ushiba for this position.)

(b) At the end of the meeting Mr. Diefenbaker said that he would discuss with his Cabinet colleagues the points that had been raised.

[W.F.] BULL

5^e PARTIE/PART 5IMPORTATIONS À FAIBLE COÛT DU JAPON ET DE HONG KONG
LOW COST IMPORTS FROM JAPAN AND HONG KONG

805.

PCO

*Note du ministre des Finances
pour le Cabinet**Memorandum from Minister of Finance
to Cabinet*CABINET DOCUMENT NO. 1-61
CONFIDENTIAL

[Ottawa], January 4, 1961

REPORT OF THE CABINET COMMITTEE ON LOW COST IMPORTS

1. The Committee established to review the proposals submitted by the Interdepartmental Committee on External Trade Policy on low cost imports has met, reviewed the paper previously submitted to Cabinet (Cab. Doc. 368/60, dated November 8th, 1960),⁷⁴ and endorses the recommendations which it contains.

2. These recommendations, it will be recalled, are as follows:

(a) From now on, Japanese exporters should be required to furnish information to Canadian customs authorities in accordance with Canadian law so that a proper determination of the fair market value of their products can be made. If they do not, Section 40 of the Customs Act should be applied. Initially this step should be taken on a trial basis to see what the Japanese reaction is likely to be. Similar measures should be taken in respect of Hong Kong.

(b) The Japanese should be pressed to continue the existing system of voluntary restraints, and make it more effective, in cases where their exports are clearly having a disruptive effect in Canada.

(c) If the results of these measures are inadequate and imports of one product or another continue to flood in from Japan and cause material injury, fixed values should be applied in individual cases as necessary in accordance with the provisions of Section 40A (7) (c) of the Customs Act. If the Japanese adjust their volume of exports of a particular product, fixed values should be withdrawn.

(d) If Hong Kong cannot apply export restraints and imports from Hong Kong threaten disruption of the Canadian market for certain products, fixed values should be adopted as necessary. These values need not be applied on the same products from Japan if Japan is controlling exports of these products at an acceptable level. The matter should now be raised formally with the United Kingdom authorities.

(e) Consideration should be given to the possibility of establishing an interdepartmental group to receive and consider representations concerning low-cost import competition and to report thereon to the Minister of Finance and, when the question of fixed values arises, to the Minister of National Revenue, who would report to Cabinet.

⁷⁴ Voir/See Volume 27, document 572.

3. The Committee considered the question of quantitative import restrictions to deal with the problem and noted that there was no legislative basis for taking such action. Aside from this, the difficulties in administering such a system are very great indeed.⁷⁵

DONALD M. FLEMING

806.

PCO

*Note du secrétaire d'État aux Affaires extérieures,
du ministre des Finances, du ministre du Commerce,
et du ministre du Revenu national
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs,
Minister of Finance, Minister of Trade and Commerce,
and Minister of National Revenue
to Cabinet*

CABINET DOCUMENT NO. 78-61

[Ottawa], February 20, 1961

CONFIDENTIAL

IMPORTS OF TEXTILES AND RUBBER FOOTWEAR FROM HONG KONG

In January, the Cabinet directed that the United Kingdom be approached formally about the problem of the rapidly-increasing imports of certain products from Hong Kong, particularly those which are now subject to Japanese voluntary export controls. These imports from Hong Kong have not only had a detrimental effect on Canadian production, but they have also hindered the current quota negotiations with the Japanese who, quite justifiably, contend that certain Hong Kong goods enter Canada under the shelter of Japanese export restraints.

We have now been informed that Hong Kong is prepared to receive Canadian officials to discuss this problem. It is therefore proposed that a delegation should be sent to Hong Kong to arrive at the beginning of March.

The principal purpose of the delegation would be to establish whether Hong Kong is able and willing to impose effective export restraints on the shipment of certain sensitive products to Canada.

The United Kingdom would not wish to see Canada impose restrictive measures of its own against imports from Hong Kong. In February 1959 the colony's textile industry made a commitment to the Cotton Board in the United Kingdom to restrict exports to that country for three years. While this was formally an arrangement between the two industries it was strongly encouraged by the United Kingdom Government and we understand the Hong Kong Government helps to enforce it. However, the Hong Kong industry has become increasingly restive about this arrangement and has publicly stated that it will seek abrogation of its voluntary undertaking when it expires next February. The United States Government made a strong effort to persuade Hong Kong to impose restraints on exports of textiles to the United States about a year ago, but this has not led to actual measures.

Against this background it is probable that the Canadian delegation will be unable to persuade Hong Kong to impose effective export restraints on the commodities in question; nonetheless it is essential to make the effort, having in mind the Government's policy of trying to solve these problems through voluntary controls on the part of the exporting country, our

⁷⁵ Approuvé par le Cabinet le 5 janvier 1961./Approved by Cabinet on January 5, 1961.

international obligations, and the indication we have had that the United Kingdom would prefer a solution which does not involve restrictive measures by the importing country. In the unlikely event that Hong Kong should be willing to deal with the problem through a system of export restraints, the delegation should have as its objective the imposition by Hong Kong of export controls at roughly the 1959 level of exports to Canada for sensitive products. The main commodities which should be the subject of consultation are as follows:

- Shirts, not knitted,
- Nightwear, not knitted
- Blouses, women's, not knit
- Slacks, shorts, jeans, trousers, not knit
- Outer-garments, not knit, children's
- Gloves and mittens, textile fabric
- Cotton dish towels
- Rubber-soled footwear with canvas or other fabric uppers.

By 1959 Hong Kong had established substantial levels of trade in these commodities. However, in 1960 there were rapid increases for almost all of them, concentrated on items in respect of which the Japanese export quotas in 1960 provided for stability or reduced shipments. This is why it is suggested that the 1959 level provides an appropriate basis for export restraints.

It is unlikely that the purpose of the delegation's visit to Hong Kong could be kept secret; accordingly it would be desirable for a brief public announcement to be made when the delegation leaves.

Recommendations

(a) That a delegation should proceed to Hong Kong at the beginning of March to consult with the Hong Kong authorities. The delegation should be composed of the following officials from Ottawa:

- S.S. Reisman, Head of Delegation
- C.G. Dodman, Department of National Revenue
- J.A. Hayes, Department of Finance

and, from the Canadian Government office in Hong Kong:

- C.J. Small, Department of External Affairs.

The delegation should be assisted as appropriate by the office of the Trade Commissioner in Hong Kong.

(b) That in the course of the consultations the delegation ascertain whether Hong Kong is willing to impose effective voluntary export restraints for the year 1961 on certain sensitive commodities being shipped to Canada.

(c) That if Hong Kong is willing to impose such export restraints, the delegation should proceed to negotiate for controls on the products in question at approximately the 1959 levels of shipment.

(d) That a brief announcement be made in Canada when the delegation leaves for Hong Kong.⁷⁶

[H.C. GREEN]
Secretary of State for External Affairs

[D.M. FLEMING]
Minister of Finance

[G. HEES]
Minister of Trade and Commerce

[G. NOWLAN]
Minister of National Revenue

807.

DEA/12883-40

Note

Memorandum

[Ottawa], March 10, 1961

On 9th March 1961, the Director of Commerce and Industry, Deputy Economic Secretary and Deputy Director of Commerce and Industry had a meeting with representatives of the trade and industrial associations whose members are particularly affected by the Canadian request for a limitation on the exports of certain products (mainly garments) from Hong Kong to Canada. Those present were:

- Dr. the Hon. Sir Sik-nin Chau,
Chairman, Federation of Hong Kong Industries.
- The Hon. G.M. Goldsack,
Chairman, Hong Kong General Chamber of Commerce.
- Mr. J.B. Kite,
Secretary, Hong Kong General Chamber of Commerce.
- Mr. Chu Shek Lun,
President, Chinese Manufacturers' Association.
- Mr. Lam Kun Shing,
Chairman, Hong Kong Garment Manufacturers Union.
- Mr. Y.L. Yang,
Chairman, Hong Kong Garment Manufacturers (for the U.S.A.) Association
- Mr. T.Y. Wong,
Chairman, Hong Kong Cotton Spinners Association.
- Dr. C.T. Chu,
Secretary, Hong Kong Cotton Spinners Association.
- Mr. C.K. Chow,
Chairman, Federation of Hong Kong Cotton Weavers.
- Mr. Ng Yee Kwong,
Chairman, Hong Kong Weaving Mills Association.
- Mr. Cha Chi Ming,
Representing the Dyeing and Finishing Industry.
- Mr. J. Mackenzie,
Chairman, Hong Kong Exporters Association.

⁷⁶ Approuvé par le Cabinet le 24 février 1961./Approved by Cabinet on February 24, 1961.

2. The Hong Kong Government representatives explained the nature of the Canadian approach and the reasons for it in detail, as described to them by the Canadian officials on the 6th and 7th March.

3. The representatives of industry and commerce unanimously agreed that although they appreciated Canada's difficulties and the friendly spirit in which the Canadian approach had been made, Hong Kong should not enter into discussions leading to the limitations of its exports of these products to Canada. They requested the Hong Kong Government to put the following considerations before the Canadian officials:

(1) The Colony has had to accommodate over one million refugees from China for whom employment and a livelihood must be found. Given the small area of the Colony and its complete lack of natural resources, only the growth of secondary industries has enabled this to be done. There is a very limited home market and these industries must therefore export to survive.

(2) Unlike Japan, Hong Kong is largely dependent on its textile industry: in Japan, industry is more broadly based.

(3) Hong Kong is a British Colony and the Commonwealth connection with Canada should count for something despite the fact that it does not receive preference in the Canada tariff.

(4) Canada has accepted the obligations of the G.A.T.T. in its relations with Hong Kong and it is not believed that Canada would act contrary to these obligations.

(5) The representatives of industry and commerce do not accept the interpretation that Hong Kong has taken over a trade from Japan which would have remained with the latter but for her restraint.

(6) It is objectionable that Japan should bring indirect pressure on Hong Kong to restrict its exports to Canada by making that a condition of the continuance of her own restrictions.

(7) Since September 1960, there has in fact been a considerable fall-off in Canadian imports of Hong Kong garments.

4. The representatives of industry and commerce in Hong Kong expressed confidence that, in the light of these considerations the Canadian Government would seriously consider refraining from precipitate action to restrict imports from Hong Kong.

5. In the course of discussions, the representatives of the Hong Kong Government informed the representatives of industry and commerce that the Canadian officials had not asked to meet them, but were very ready to do so if requested. The representatives of industry and commerce welcomed this approach, but did not consider that such a meeting was necessary since the Canadian case had been presented to them very fully by the Hong Kong Government. They were content that the Hong Kong Government should convey their views to the Canadian officials.

808.

PCO

*Note du premier ministre,
du ministre des Finances, du ministre du Commerce,
et du ministre du Revenu national
pour le Cabinet*

*Memorandum from Prime Minister,
Minister of Finance, Minister of Trade and Commerce,
and Minister of National Revenue
to Cabinet*

CABINET DOCUMENT NO. 196-61

[Ottawa], May 9, 1961

CONFIDENTIAL

LOW-COST IMPORTS FROM HONG KONG – LONDON MEETINGS

Imports of certain textile garments from Hong Kong showed rapid increases in the early part of last year, rising to levels which threatened injury to Canadian producers. In addition to causing problems for Canadian industry this expansion in imports from Hong Kong may have an adverse effect on the willingness of Japan to maintain a system of voluntary export controls on these products. The Japanese have made it clear that they cannot be expected to restrain their exports if exports from Hong Kong to Canada increase as a result of Japan's restraints.

On February 24th the Cabinet directed that a delegation of Government officials consult with the Hong Kong Government with a view to the imposition by Hong Kong of voluntary quotas, similar to those now being applied by Japan, on exports to Canada of certain sensitive commodities. The Cabinet directed that if Hong Kong were prepared to impose such restraints, the delegation should negotiate for restrictions at roughly the 1959 levels of shipment.

Consultations were held in Hong Kong between March 6th and 13th. As it turned out, Hong Kong was unwilling to set up a system of restraints on exports to Canada. One of the principal reasons was that establishing quotas on exports to Canada would compromise the Colony's position as regards export quotas in its relations with the United States and the United Kingdom, two of Hong Kong's major trading partners.

In the light of this situation the Interdepartmental Committee on Low-Cost Imports came to the conclusion that it should recommend the application of fixed values for duty on imports of trousers and shorts, shirts, blouses, and possibly rubber-soled canvas footwear, but at levels low enough to permit a reasonable amount of trade from Hong Kong to continue. Imports from Japan would be exempted from the application of these fixed values if by that time an agreement had been reached between Japan and Canada on the Japanese export quotas for 1961.

However, when Prime Minister Macmillan visited Ottawa last month, he proposed that representatives of the United Kingdom, United States, and Canadian Governments should meet to explore possible solutions to the problem of Hong Kong textile exports. This proposal has now been followed up by an invitation to the Canadian and United States Governments to participate in a meeting to take place in London on May 15th and 16th. The United States has accepted the invitation to attend these meetings, and at the same time has proposed that further meetings be held on May 17th and 18th to consider a broader United States initiative to find an international solution to the problem of low-cost textile imports.

The United States Government has now decided to seek an international settlement between the principal exporting and importing countries of textile products along the lines of an approach discussed between the Canadian Minister of Finance and Mr. George Ball, Under

Secretary of State for Economic Affairs, at the Bilderberg Conference in Quebec several weeks ago. They envisage an arrangement whereby importing countries which at present permit very little importation of low-cost goods from the Orient would agree to take a more equitable share, and exporting countries would in return agree to exercise voluntary restraints on their shipments. They are proposing to use existing international organizations, including the GATT and the OECD, to carry on the necessary discussions. As a first step, however, they are proposing tripartite discussions with Canada and the United Kingdom in London following the meetings about Hong Kong. Mr. George Ball will be attending these tripartite discussions and is urging Ministerial representation for at least part of the talks. It is not yet clear whether the United Kingdom would be represented by a Minister, although present indications are that they may be represented by Mr. Erroll, Minister of State, Board of Trade.

It appears desirable that Canada should accept the invitation to attend both meetings. We have had indications that the United States' objective at the meeting on the Hong Kong problem will be the establishment of a system of export controls by Hong Kong which would provide for substantial reductions in the level of the Colony's exports of certain products to the United States. The United Kingdom already has an agreement between its own textile industry and the Hong Kong industry which provides for voluntary export controls. The agreement comes up for re-negotiation this year. It may be that at a meeting of the kind now proposed the pressure of the United States for the adoption of a voluntary system by Hong Kong would make it possible for us to attain some or all of our objectives. The meeting would also afford an opportunity to demonstrate to the United Kingdom the relationship between the Hong Kong problem and the problems which we have been facing for some time in respect of imports from Japan, problems which have been aggravated by the unwillingness of the United Kingdom and other European countries to take a reasonable share of Japan's exports. Finally, if the meeting does not result in the establishment of an acceptable voluntary system by Hong Kong, then it will have constituted the further consultations which the United Kingdom wanted us to enter into before taking action in Canada affecting Hong Kong.

Since this meeting is less than two weeks away, it would seem undesirable to take action in Canada to restrict imports from Hong Kong prior to the meeting. Moreover, in the latest months for which statistics are available imports from Hong Kong of the sensitive products in question, after rising very rapidly early in 1960, have shown some decline.

As regards the second meeting on the broader problem of low-cost imports, it is not yet clear what specific proposals the United States will put forward. It should not be assumed that it will be easy to find an international solution acceptable to the importing and exporting countries, because past efforts have not met with much success. However, Canada has consistently supported previous attempts to find a comprehensive international solution to these problems, and it would clearly be in our interest to support fresh efforts in this direction. This would be without prejudice to Canada's freedom of action under our trade agreements to take measures to avoid injury to particular Canadian industries during the period when a broad international settlement is being negotiated.

It is Recommended that:

- (1) Canada accept the invitations to be represented at both London meetings;
- (2) Canada be represented at the May 15th-16th meeting on the Hong Kong problem by a delegation led by Mr. S.S. Reisman, Department of Finance, and composed of officials from Finance, Trade and Commerce, External Affairs and National Revenue; and unless it is decided that a Canadian Minister should attend the second meeting on the broader problem of low-cost imports, that the same delegation should represent Canada;

(3) The Canadian delegation at the meeting on the Hong Kong problem should seek the establishment by Hong Kong of export quotas at roughly the 1959 levels of shipment, with provision for gradual increases in the quotas in the light of economic conditions in Canada, in respect of exports to Canada of certain textile products and rubber-soled canvas footwear;

(4) No restrictive action be taken by Canada in relation to Hong Kong before the results of this meeting are known; and

(5) The Canadian delegation support the United States initiative to seek a broader international settlement to the problems associated with low-cost competition from the Orient.⁷⁷

[J.G. DIEFENBAKER]
Prime Minister and
Acting Secretary of State for
External Affairs

[D.M. FLEMING]
Minister of Finance

[G. HEES]
Minister of Trade and Commerce

[G. NOWLAN]
Minister of National Revenue

809.

DEA/12900-40

*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*

RESTRICTED

[Ottawa], June 14, 1961

LOW COST IMPORTS

You might care to have a brief report on developments since the meeting in London last May 15 and 16 between representatives of Canada, the United Kingdom, the United States and Hong Kong on the problem of low cost Hong Kong textile exports, which was followed by a Canada-United States-United Kingdom meeting on the new United States initiative looking towards a broadly-based international solution to the textile problem. You will recall that Mr. Fleming reported to the House on those meetings on May 23.

2. The most recent news from Hong Kong is not encouraging. Early this month the three leading textile associations, whose members provide practically all the cotton cloth shipped to the United Kingdom, boycotted the Hong Kong Government's call for negotiations with the United Kingdom and the United States on textile export quotas. The colony is worried about the probable move of the United Kingdom into the Common Market and the loss of their most important competitive advantage, the British Preference, and appear to be in no mood to go along with a piecemeal erosion, as they see it, of their textile markets in North America, the United Kingdom, and elsewhere. The present prospects for a Canadian-Hong Kong settlement, as part of a larger one, are therefore not bright. However, the pressure from Hong Kong imports on the Canadian market diminished in the first half of this year.

⁷⁷ Approuvé par le Cabinet le 11 mai 1961./Approved by Cabinet on May 11, 1961.

3. Meanwhile the United States have proposed a meeting in Washington on June 21 of the main importing countries, and the GATT Council will also be convened on June 16; both meetings will have as their object the arrangement of a multilateral conference on textiles to be held in Geneva under GATT auspices in the latter part of July.

4. On May 15 the American textile industry petitioned the Office of Civil and Defense Mobilization (OCDM) for an investigation under the 1958 Trade Agreements Extension Act, with a view to obtaining substantially increased protection from foreign competition. If the OCDM finding comes out in favour of the petitioners the United States Government will have to take restrictive measures against Japan, Hong Kong, and perhaps other producers as well. The Administration are seeking to head this off, and fear that unless a solution is worked out within the next couple of months the problem might be taken in hand by Congress, which is under heavy protectionist pressures, and which would undoubtedly show little respect for President Kennedy's more liberal approach.

5. While there was some criticism at the time the agreement with Japan on 1961 export quotas was announced last month, to the effect that the Government had not done enough, (the *Gazette* for example called for quotas to be set "in such a manner as to achieve their purpose of protecting Canadian industry" – a task normally left to tariffs) it is in Canada's interest to back the United States Administration fully in its efforts to find an international solution to the problem of low cost imports, particularly for those items where we are facing rapidly increasing imports from Japan and Hong Kong. In addition it is very important for our relations with underdeveloped countries to give encouragement to policies that will give some promise of stable export earnings.⁷⁸

N.A. R[OBERTSON]

810.

PCO

*Note du secrétaire d'État aux Affaires extérieures,
du ministre des Finances, du ministre du Commerce,
et du ministre du Revenu national
pour le Cabinet*

*Memorandum from Secretary of State for External Affairs,
Minister of Finance, Minister of Trade and Commerce,
and Minister of National Revenue
to Cabinet*

CABINET DOCUMENT NO. 315-61

[Ottawa], August 4, 1961

CONFIDENTIAL

INTERNATIONAL ARRANGEMENTS AFFECTING TRADE
IN COTTON TEXTILES

Several months ago the United States Government launched an initiative to seek an international solution to the problem of disruptive competition in the field of cotton textiles. Preparatory meetings among importing countries, in which Canada participated, were held in London in May and in Washington during June. The Canadian delegation was instructed to support the United States initiative. The principal reason for Canada's interest in this venture

⁷⁸ Note marginale :/Marginal note:

Noted by Prime Minister June 15. H.B. R[obinson]

was the desire to find a solution to the problem of clothing imports from Hong Kong, a problem which could not be resolved on a bilateral basis.

At the Washington meeting it was agreed to call an International Textile Conference, comprising the principal cotton textile exporters and importers, under the auspices of the GATT. This Conference took place in Geneva during the week of July 17 to 21 and resulted in a draft Agreement which provides for a short-term international arrangement and for the establishment of a cotton textile committee to work out a long-term solution. A copy of the draft Agreement is attached to this Memorandum.†

While the draft Agreement does not contain precise provisions for entry into force it is envisaged that the Agreement will become operative if certain key countries accept its terms. The United States will be pressing the principal exporting countries to accept the Agreement before October 1st, and if difficulties arise they will not hesitate to call a further Conference in Geneva during September. Hong Kong and Japan entered a number of reservations to specific points in the draft Agreement and it is by no means certain that they will accept the Agreement in its present form.

In essence the short-term arrangement permits importing countries to request exporting countries to impose "voluntary" export restraints and, in the event that such a request is not met, to apply import restraints specifically directed against the offending country. The use of import restraints directed at one country, i.e. "discriminatory" restraints, is not permitted under the GATT rules. The importing country would be the judge of whether requests for restraints are warranted, but participating countries are under a general injunction to resort to these special arrangements sparingly and only to avoid disruption of domestic industries.

In order to protect the exporting countries against unreasonable requests the short-term arrangement provides that participating countries may not request the imposition of export restraints on any category or item of cotton textiles at a level lower than the level of exports which prevailed in the twelve month period ended June 30, 1961. It is considered that this provision would not prevent us from requesting Hong Kong to apply export restraints adequate to meet the specific textile problems in our trade with Hong Kong. As regards our arrangements with Japan, there is an understanding at the official level that the "minimum level" provision shall not apply to cotton textile products on which Japan is maintaining export restraints to Canada where that minimum level would be higher than the actual quote negotiated for 1961. There is also an understanding that the matter of permissible transfers between quotas should continue to be settled by consultation between Canada and Japan rather than by reference to the draft Agreement. At the close of the Geneva meeting a letter was sent to the Head of the Japanese Delegation seeking confirmation of this understanding and a reply from Tokyo is expected shortly. (Copy of letter attached)

The draft Agreement recognizes that Canada cannot guarantee to meet the minimum import requirement should it be necessary for Canada to apply fixed values for duty purposes under the arrangements. At Canada's request a provision was inserted which extends the Agreement to cover textile fibres directly competitive with cotton in the event that the arrangements are being frustrated by substitution. The draft Agreement also provides that countries now applying import restrictions on cotton textile imports shall as from January 1, 1962, significantly increase access to their markets. This provision is directed mainly at the countries of Western Europe.

It is considered that the Agreement as presently drafted would strengthen the effectiveness of Canada's bilateral arrangements with Japan, and would enable Canada to deal with problems arising out of textile imports from Hong Kong and other low-range areas at least for the initial period of one year. It could also relieve some of the pressure on the Canadian market

if European countries live up to their undertaking to relax import restrictions against the low-cost countries.

It is Recommended that

(1) Canada should adhere to the Agreement as soon as a reply is received from Japan confirming the understandings referred to above.

(2) If there are any substantive amendments to the draft Agreement, these should be submitted to the Government for consideration.⁷⁹

H.C. GREEN
Secretary of State for External Affairs

D.M. FLEMING
Minister of Finance

G. HEES
Minister of Trade and Commerce

G. NOWLAN
Minister of National Revenue

[PIÈCE JOINTE/ENCLOSURE]

*Le chef de la délégation à la Réunion
sur le commerce international des textiles de coton
au chef de la délégation du Japon
à la Réunion sur le commerce international des textiles de coton
Head, Delegation to the Meeting on International Trade
in Cotton Textiles,
to Head, Delegation of Japan to the Meeting on International Trade
in Cotton Textiles*

Geneva, July 22, 1961

Dear Mr. Ushiba:

I refer to the draft Agreement relating to trade in cotton textiles which was drawn up in the course of meetings held in Geneva July 17th to 21st, 1961 and to the understandings which you and I reached on how this Agreement would relate to the arrangement between Canada and Japan affecting trade in textiles, in the event that Japan and Canada should decide to participate in the Agreement. Our understandings related to two specific matters which are dealt with in the draft Agreement.

The first point concerns the minimum level of export restraints for any particular item or category of trade as set out in paragraphs A and C of the short-term arrangement. You and I agreed that this requirement should not be applicable to any cotton textile items which are the subject of Japanese voluntary restraints on exports to Canada where the quota levels applicable for the year 1961 are below the minimum levels provided for in the draft Agreement.

The second point relates to the application of paragraph B of the short-term arrangement. This paragraph provides that the level specified for export restraints may be exceeded by 5 per cent in certain circumstances. You and I agreed that this paragraph would not be applicable to any arrangements entered into between Japan and Canada relating to trade in cotton textiles,

⁷⁹ Approuvé par le Cabinet le 5 septembre 1961./Approved by Cabinet on September 5, 1961.

and that the matter of permissible transfers between categories or items would continue to be dealt with on the basis of consultation and mutual agreement between our two countries.

I should be glad to have your confirmation of these points, and may I suggest that this letter and your reply shall constitute an agreed record of our understandings.

Yours sincerely,

S.S. REISMAN

CHAPITRE IX/CHAPTER IX
AMÉRIQUE LATINE
LATIN AMERICA

PREMIÈRE PARTIE/PART I
CUBA

811.

DEA/2444-40

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

TELEGRAM 19

Washington, January 4, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 16 Jan 4† and Ritchie-Rae Telecon.

Repeat for Information: NATO Paris, London, Permis New York, Paris (Priority).

By Bag Havana from Ottawa.

USA-CUBAN RELATIONS

While we did not repeat not receive text of Havana telegram 2 January 3† until this morning, on the basis of last evening's conversation with Ritchie, enquiry was made of the State Department last night. We were able to reach Merchant, Under-Secretary for Political Affairs, as soon as he had left the meeting of senior officers with the Secretary. Merchant confirmed to us that the decision had just been taken to terminate USA diplomatic and consular relations with Cuba and that the White House would be making the announcement set forth in our telegram 16 January 3† last evening. Merchant added that in the face of the Cuban ultimatum that USA Embassy staff should be reduced to eleven persons (he said including "locals") it had been decided that it was not repeat not possible to carry on. He also told us that the Swiss had been asked by the State Department to assume responsibility for USA interests on the spot, although this was yet to be formally agreed by the Cuban administration.

2. You will note from the official papers released last evening that USA has requested the Cuban Government to withdraw "as soon as possible" the entire Cuban personnel in the Cuban Embassy here and in all Cuban consular offices in USA.

3. The substance of the foregoing was communicated last evening directly to Ross Campbell.

4. We understand that the evacuation of USA official personnel will begin today by Pan American World Airways planes and regular ferry to Key West.

5. White House and State Department press spokesmen who read the President's statement dismissed questions concerning the future of the naval base, Guantánamo, as "hypothetical" and the State Department Press Officer was quoted as saying "This has no repeat no effect at all on the base."

6. Kenworthy in the *New York Times* today reports today that the Secretary informed Dean Rusk of the Administration's decision and discussed the matter with him. According to this report, Rusk was asked whether the Kennedy administration wished to associate itself with the decision and that according to "an informed source" the reply was in the negative. His article, speculating on the factors behind the decision, concludes as follows:

"High State Department officials deliberated most of the day on whether to recommend to Secretary Herter and President Eisenhower a break in relations.

They considered, it was said, whether it was not repeat not better to endure the insults to have some diplomatic observers on the scene.

They also considered whether Premier Castro might follow a break in relations by ordering the surrender of Guantánamo.

Finally, it was said, they considered the humanitarian question of Cuban refugees who have been queuing up before USA Consulate to obtain visas to USA. In the last five months 34,502 have received visas.

These considerations were not repeat not finally regarded as compelling, it was said, for the following reasons: First, Embassy officials now have almost no repeat no contacts with Cuban officials, and their reporting had been otherwise circumscribed.

Second, USA has no repeat no intention of surrendering Guantánamo.

Third, many refugees have been coming in without visas, and could continue to do so even after a break in relations.

The controlling arguments for breaking relations, it was said, were these: First the reduction of the Embassy staff was, as the President said, a culmination "of a long series of harassments, baseless accusations and vilification" that could no repeat no longer be endured.

Second, it would be impossible to operate an embassy effectively with such a small staff.

Third, the Castro action gave USA a long sought opportunity to begin the isolation of Cuba within the hemisphere."

7. Merchant has asked me to see him at 3 p.m. today and I shall seek clarification of the considerations underlying the State Department's action at that time. In this context, it would be helpful to have urgently the text of any public comment that may have been made by Ministers in connection with the White House announcement.

[A.D.P.] HEENEY

812.

DEA/2444-40

L'ambassadeur au Cuba
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in Cuba
to Under-Secretary of State for External Affairs

LETTER NO. L-10

Havana, January 4, 1961

CANADIAN EYES ONLY. CONFIDENTIAL.

Reference: My telegram No. 2, January 3, 1961.

CUBAN-UNITED STATES RELATIONS

There is a general feeling of disappointment, among those few colleagues I have been able to see, that the United States has at last taken the initiative in breaking relations with Cuba. It seems a pity that Mr. Eisenhower and his advisers, after having patiently endured for more

than a year Castro's steady barrage of abuse and false charges, should not have been able to survive the final couple of weeks. Had they left the eleven-man skeleton of an Embassy here, not doing any incidental work but maintaining the semblance of relations, maintaining a United States presence, then Mr. Kennedy would at least have had the opportunity after January 20 to try whatever efforts he may have had in mind. As it is now, in spite of the almost incredible provocations by the Cubans, the actual onus of having broken relations lies on the United States.

2. On the other hand, Castro's specific statements in his anniversary speech were such that one cannot attach too much blame to the United States. Castro said that eighty percent of the more than 300 people in the United States Embassy were spies, and that they were financing the bombings and sabotage in Havana. There were other equally unfounded charges, but these two would be enough. One Cuban, a lawyer, suggested today that the United States were left with no alternative – had they accepted Castro's order to leave the Embassy with a staff of only eleven this would have taken, in many parts of Latin America, as an admission that the charges were true, and *Prensa Latina* would then have trumpeted to the world that the United States had admitted everything. There is much strength in this view.

3. The press this morning published a UPI report of Mr. Green's expression of regret and offer to help in any way possible.¹ (It is unusual, almost unprecedented, for the controlled press to publish any report from a legitimate wire agency; the usual practice is to twist the story to suit their own line and then attribute it to *Prensa Latina*.)

4. Frankly, we doubt that any such mediation is possible. The feeling of the senior United States officials here is one of undisguised relief at the final lifting of a long-borne and almost intolerable burden. They see no hope, and for a long time have seen no hope of conducting negotiations on any reasonable basis with the Castro Government.

5. On the Cuban side, we are speculating as to the precise reason for this sudden outburst at this time. For the last month, more or less, there has been not exactly peace but at least quiescence, and Castro's last public statement had been along the line "wait and see what Mr. Kennedy will do."

6. Some of us think that the sharp increase in sabotage and bombing, as well as propaganda, by the anti-government groups, drove Castro almost into a frenzy. As you know, he devoted practically the whole of his anniversary speech to bitter attacks on the counter-revolutionaries, and with them he brackets the United States. He appears to find it intolerable that anti-Castro Cubans should find shelter and comfort in the United States, forgetting or conveniently ignoring the fact that this is no new development in United States policy. The most famous of Cuba's rebels, Marti, still revered as "The Apostel," spent years in Brooklyn as a refugee from the Spaniards. That was nearly a century ago, and since then Uncle Sam has taken in "antis" of every kind, anti-Machado, anti-Batista, anti-Grau, anti-Socarras, and again anti-Batista.

7. Castro, clearly, needed some big talking point for his second anniversary, and it may have been hard to find one. He could not very well talk about the "success" of agrarian reform, or urban reform – his audiences would know too much about these matters. His mind was full of the recent bombings and sabotage in Havana, the United States fitted in well, and he had a theme.

8. But why the invasion scare? It came three days before the anniversary speech, and it is still going on. Did he begin with the invasion, first mentioned in the morning papers of December 31, and then become inflamed by the successful burning of one department store and the almost but not quite successful attempt to burn two others on the night of December 31?

¹ Voir/See "Canada Regrets Rift," *New York Times*, January 4, 1961, p. 13.

9. Or, was it, as some think, a last desperate attempt to get the United States to break off before Mr. Eisenhower steps down? If so, why? Why has Castro worked so hard on this? Why has it seemed to be a desired objective, rather than a disaster?

10. Dr. Prato, my Israeli colleague, and I were putting these questions to each other early this forenoon. We were in agreement in regretting that the United States had taken the initiative. As to the reason for the Cuban outburst which proved to be the final provocation, I said that I could not answer unless I could answer the other question "Who gave the orders?" We were both confident it was not Castro. Dr. Prato has been doing a lot of newspaper reading in his three months here, having no office work to do because the "efficiency" of the Law of Urban Reform has so far prevented him from obtaining quarters for the chancery. He pointed out to me that recent Russian statements in the context of Cuba have on the whole said very little about the United States, whereas every statement from China has attacked them. In particular he pointed out that while recently-arrived ambassadors, including himself, had been instructed not to make a speech when presenting credentials but merely to hand over the Letters, the new Chinese Ambassador had made a long speech, most of which was a series of attacks on the United States. The President, in replying, made no reference to these attacks. Dr. Prato, summing it up, agreed with me that the source of Cuban policy is communist whether Russian or Chinese, and that the anti-USA campaign might be described as clever brinkmanship which had at last apparently succeeded.

11. What happens next? It is totally unnatural that Cuba should be a communist country, having regard to its geographical position, its economy, its ethnic and historical links with its American neighbours. Someone said last night that a communist Cuba seemed as fantastic as a capitalist Outer Mongolia. Fantastic or not, Cuba now has, seemingly of her own initiative, acquired the closest links with China and all the countries of the Soviet bloc and has loosened or lost her links with her natural friends and neighbours. Many Cubans are acutely unhappy about it, and are at present expressing their unhappiness by exploding bombs in Havana department stores, radio stations, movies and other suitable spots. But Castro and his associates appear to be completely happy with their new friends. This is a division too deep-rooted to be easily bridged. I can offer no prediction.

12. The announcement was made last night, and our bag leaves after lunch. This letter, as you will have realized, is a very hasty note written merely to pass on to you some of what is being said today.

ALLAN C. ANDERSON

813.

DEA/2444-40

L'ambassadeur en Argentine
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in Argentina
to Under-Secretary of State for External Affairs

LETTER NO. 128
 CONFIDENTIAL

Buenos Aires, March 13, 1961

ARGENTINA AND THE UNITED STATES-CUBAN PROBLEM

As our despatch No. 123 of March 7† stated, the facts surrounding the efforts of the Argentine government to mediate the United States Cuban conflict² are hard to obtain. Few officials in the Ministry have been involved in the exercise. The Foreign Minister took the matter into his own hands and what transpired has been a surprise not only to the general public but also to all the senior members of the Foreign Office. This is not the first time the Minister has acted in this way; you will remember that none of the senior officers in his department was made aware of the answer which the Minister made to Mr. Green's invitation for President Frondizi to visit Canada. Despite the secrecy which cloaked the Minister's actions, it seems fairly clear now why the action was taken, and also why it was kept so quiet.

2. President Frondizi undoubtedly conceived the idea. The United States-Cuban conflict confronts him with a serious dilemma. He needs United States support for his economic recovery programme hence cannot side with Cuba in that country's quarrel with the United States. At the same time, support for the United States would alienate a large segment of his own party, and would be bitterly opposed by a goodly proportion of Argentine citizens, of all parties. The only way out of this dilemma for Frondizi is for the United States-Cuban quarrel to be solved. Frondizi's initiative, therefore, may be considered as a genuine effort to make a contribution to this problem. Doubtless there were other considerations as well. Frondizi would not wish to appear less of a spokesman than Quadros for the under-privileged peoples of Latin America. Nevertheless, his overriding consideration was to try to find a solution to the issues dividing Cuba and the United States.

3. Why the secrecy? Frondizi properly assumed that any Argentine initiative at this time would be resisted by the armed forces; not only because they oppose any concessions to Castro on ideological grounds, but also because they feel it undignified for Argentina to take such action in the face of the insulting and unfriendly behaviour of the Cuban government toward the people and government of Argentina since Castro came to power. It is reported that the military chiefs are preparing a memorandum to the President stating their opposition to the government's action in this matter. It is possible that the decision of the President to bypass the "military cabinet" on an issue in which they feel themselves so legitimately to be concerned may lead to another military-political crisis, which would be a great misfortune.

4. The President could also expect opposition to his plans from other sectors, and doubtless sought to forestall it, or at least to carry out his ideas without first being advised against his projected course. Press comment has generally been hostile, largely on the ground that any such initiative was doomed to fail and would contribute nothing to an eventual solution. *La Nación* in its issue of March 10 described the action as "spectacular, hasty, and risky." It said, "Even if mediation by Argentina succeeded in eliminating the tension between Cuba and the

² Voir/See "Argentina Offers to Mediate," *New York Times*, March 5, 1961, p. 20; "U.S. Will Reject Cuba Mediation," *ibid.*, March 7, 1961, p. 13.

United States – a hypothesis bordering on the absurd in view of the intolerance shown by the Castro régime – it would still not have solved the essence of the matter. It would not have changed the situation caused by the Castro régime in the hemisphere.

5. This is the consensus of informed observers, though it is admitted that, had it by some remote chance succeeded, it would have given a tremendous boost to Frondizi's prestige inside and outside this country. On the other hand, the consequences of failure should not be too disastrous. If the event does not lead to another internal crisis in Argentina involving the armed forces, the President may in fact come out of the affair with an "A" for effort, and little else. The difficulty continues of maintaining good relations with the United States, and at the same time appeasing left-wing opinion in the country through evidence of sympathy with the Cuban revolution. Frondizi's effort to find a solution is reflected in his agreement to meet with President Quadros of Brazil in the near future. The Cuban issue is certain to be the principal item for discussion.

R.P. BOWER

814.

DEA/11280-1-40

*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 24, 1961

FURTHER U.S.A. ECONOMIC MEASURES AGAINST CUBA

Our Embassy in Washington reported in its telegrams 806† and 820† of March 14 and 15, that the United States Government is considering the application of Foreign Assets Control Regulations to transactions with Cuba, but with a possible exemption for subsidiaries located in foreign countries. These telegrams also reported discussions on this matter between Canadian and U.S. ministers at the recent meeting of the Canada-U.S.A. Joint Committee on Trade and Economic Affairs. Although no decision has been taken by the U.S. Government we understand that serious thought is still being given to invoking the Trading with the Enemy Act against Cuba.

2. The U.S. ministers were told during the meeting of the Joint Committee that under present Canadian policy no commodities "in any way strategic" would be allowed to go to Cuba even though of Canadian origin. A word of caution may be appropriate about the ambiguity of the words "strategic commodities." We do not have, for the purpose of our export controls, any list of materials which we could accurately refer to as the "strategic" list. What we do have is 1) a list of countries – the Area list – to which all shipments from Canada whatever the nature of the goods concerned must be licensed for export and 2) a list of commodities – the Export Control list – some of them of a strategic nature, others not; these commodities are also subject to export control, regardless of their destination, for conservation and strategic purposes, or because this control is called for by intergovernmental arrangements between Canada and other countries. Even if we isolated on our Export Control list the items controlled for strategic reasons, they would still alone not constitute a precise strategic list because some of the listed items, such as civil aircraft and quartz crystals, are in certain circumstances considered to have strategic significance but in others they have none. The U.S. for their part have a Munitions List and a Positive List of Commodities; they also have a Cocom list including the Embargo list, the Munitions list, the Atomic list and the Watch list. None of these lists fully coincides

with any other and most have different justifications and purposes. In brief there is no generally agreed list of "strategic" commodities in existence nor any clear definition of these terms. Whether any particular commodity has strategic significance is a matter of judgment to be made by the appropriate authorities of each country in the light of the possible end use and destination of the item concerned and of that country's foreign policy objectives and assessments. In these circumstances it is clear that the meaning of the assurances given the U.S. is that no commodities, which *we consider* to be strategic, would be allowed to go to Cuba, even though of Canadian origin. It could develop however that some items which are not on our lists could be regarded as strategic in the U.S.

3. United States ministers also suggested that, if the U.S. were to exempt Canadian subsidiaries of U.S. firms from the application of the Foreign Assets Control Regulations to transactions with Cuba, Canada should consider control measures of its own on certain sensitive items such as replacement parts for trucks and oil and sugar refinery equipment, in order to ensure that the U.S. controls were not frustrated by exports from Canada. It should be noted that this could not be done within the framework of existing Canadian regulations. The items mentioned above do not appear at the present time on the Export Control list and the only ways to control them would be either to list them or put Cuba on the Area Control list. The former course would involve an intergovernmental agreement with the U.S.; the latter would mean we regard Cuba as part of the Communist Bloc. Both courses would involve a good deal of public explanation. In fact it could mean that we were enforcing stricter controls on exports to Cuba than to the Communist Bloc. Apart from the political issues which a public move of this kind would raise, it should also be noted that, if the commodities concerned were placed on the Export Control list, an export permit would be required for all destinations. If, on the other hand, Cuba were put on the Area Control list, all Canadian exports to Cuba, including fish, potatoes and other traditional exports, would become subject to export control. Canadian ministers gave no undertaking of any sort as to action to be taken by Canada, but made it very clear that any attempt to apply F.A.C. controls on shipments from Canadian subsidiary companies to Cuba would provoke very grave difficulties. They did however indicate their willingness to consider what could be done, if the U.S. put on F.A.C. controls but exempted firms in Canada, to prevent frustration of U.S. controls in the few sensitive areas mentioned where there had been no previous appreciable Canadian trade.

4. If the U.S. Government decides to exempt Canadian subsidiaries of U.S. companies from the application of the Foreign Assets Control Regulations to transactions with Cuba, this would be a valuable precedent for future exemptions with respect to other areas or possibly a total exemption.

N.A. R[OBERTSON]

815.

DEA/4723-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*

SECRET

[Ottawa], March 28, 1961

FURTHER U.S.A. ECONOMIC MEASURES AGAINST CUBA

In our memorandum of March 24, 1961 we made some comments about the proposed application of the Foreign Assets Control Regulations by the United States to transactions with

Cuba, but with a possible exemption for subsidiaries located in foreign countries. You will see from the attached telegram 961† from our Embassy in Washington that the Embassy has now been informed that a decision has been taken by the U.S. Government to exempt foreign subsidiaries, including of course U.S. subsidiaries in Canada, from the application of the F.A.C. regulations to Cuban transactions, if and when these regulations are invoked against Cuba. No mention was made of possible Canadian control measures designed to prevent the evasion of F.A.C. regulations through this exemption.

M. C[ADIEUX]
for Under-Secretary of State
for External Affairs

816.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], April 7, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
The Secretary of State for External Affairs (Mr. Green),
The Minister of Transport (Mr. Balcer),
The Minister of Veterans Affairs (Mr. Churchill),
The Minister of Fisheries (Mr. MacLean),
The Postmaster General (Mr. William Hamilton),
The Minister of National Health and Welfare (Mr. Monteith),
The Minister of Public Works (Mr. Walker).
The Secretary to the Cabinet (Mr. Bryce),
The Assistant Secretary to the Cabinet (Dr. Hodgson).

. . .

DIPLOMATIC APPOINTMENTS; AMBASSADOR TO CUBA;
POLICY OF SELECTION

18. *The Secretary of State for External Affairs* said he recommended the appointment of George Kidd of his Department as Ambassador to Cuba. The situation in Cuba was very difficult at this time, and it was important that Canada should have a well-trained diplomatic representative there.

19. *During the brief discussion* some said that a proportion, perhaps one-fourth, of diplomatic appointments should be filled by persons other than permanent officials. Others said that untrained persons were frequently unsuccessful in diplomatic posts abroad, and that the Department would lose its career men if an excessive number of "outsiders" were appointed over their heads. Canada at this time was in a position to exert a great influence on international affairs, but this could be achieved only with a first-class foreign service. A certain proportion of diplomatic appointments should continue to be filled by trade commissioners.

20. *The Cabinet* agreed with the recommendation of the Secretary of State for External Affairs that George Kidd of the Department of External Affairs be appointed Ambassador to Cuba.

. . .

817.

DEA/2444-40

*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 17, 1961

DEVELOPMENTS IN CUBA

According to unconfirmed radio reports from Florida, seaborne invaders from Guatemala made this morning a successful landing in the vicinity of Matanzas, some 200 miles east of Havana. This invasion attempt was preceded on Saturday, April 15, by air attacks. Two B26 bombers of United States manufacture caused explosions and fires at military bases in Havana, Santiago and San Antonio. At a state funeral for the eight persons killed during this raid, Dr. Castro accused yesterday the United States of having planned this aggression which he compared to the attack on Pearl Harbour, denied that the crews manning the planes were defectors from the Cuban Air Force, (as Mr. Stevenson had stated on April 15 in the United Nations First Committee in reply to charges made by the Cuban Foreign Minister, Dr. Roa), and ordered national mobilization.

2. The Canadian Ambassador in Havana reported by telegram† that all Embassy personnel were safe and his reassurances were transmitted to the wives of two members of the staff in Ottawa. The Acting Foreign Minister, Dr. Olivares, pledged on Saturday to all members of the diplomatic corps the fullest guarantee of their safety. The Ambassador stated on April 15 that he did not recommend any action at present. I understand that telephone communications with Cuba are interrupted but that telegraphic services are still operating and we should be receiving direct cables on developments from the Embassy.

3. The anti-Castro forces in Guatemala and Florida are undoubtedly receiving weapons and active financial assistance in the United States, from either official or private sources. At his press conference on Wednesday, April 12, President Kennedy insisted that United States armed forces would not intervene in Cuba and emphasized that the United States Government would do everything possible to make sure that there are no Americans involved in any action inside Cuba. However, he did not discuss the indirect support which the United States Government would give to an invasion launched from another country.

4. If the anti-Castro groups led by Dr. Miro Cardona manage to overthrow the present régime, they have been assured that their government would be recognized by the United States. Should they fail, the United States would have to decide whether it should intervene or abandon the anti-Castrists to their fate. In such a case, intervention would be denounced as another instance of "Yankee imperialism" not only by Communist states but by nationalist elements in Latin American countries; non-intervention would mean a loss of face and prestige while merely postponing the issue. President Kennedy's dilemma is that he cannot abandon the Cuban refugees any more than he can abandon the principles of the Organization of American States charter which specifically forbid him to use force against the internal or external affairs of another country.

5. The Canadian Ambassador in Havana wrote on April 11, in a despatch† which has just been received, "What I fear for Cuba is the possibility of an attempt which might be unsuccessful. I cannot see the immediate and complete defeat or surrender of the Castro forces. Failing that, I fear that a partly, or even largely successful attempt could lead only to bitter civil war and a totally unsuccessful attempt to a wave of reprisals and executions."

6. The debate in the First Committee on the Cuban Complaint of Aggression by the United States will likely take place in an atmosphere of great tension in view of current developments. I understand that twelve Latin American nations are co-sponsoring a resolution which would urge members of the Organization of American States to help settle the dispute between Cuba and the United States by peaceful means. Such a resolution is said to be acceptable to the United States and might be supported by the Canadian delegation.

7. In the event that a question is asked in the House, I attach notes[†] which could be used in a statement.³

N.A. R[OBERTSON]

818.

DEA/2444-40

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

TELEGRAM 1223

Washington, April 17, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1214 Apr 17.†

Repeat for Information: Candel New York (OpImmediate), London, NATO Paris, Paris, Permis New York (Priority).

By Bag Havana, Mexico, Lima, Santiago, Buenos Aires, Montevideo, Sao Paulo, Rio de Janeiro, Port-au-Prince, Trujillo, Caracas, Port-of-Spain, Bogotá, Quito, San Jose, Guatemala from Ottawa.

CUBA

Vallon, Director of State Department Office of Cuban and Mexican Affairs, confirmed for us today that he could say little more than Secretary Rusk had said in his press conference this morning⁴ (our reference telegram). He said State Department had no repeat no firm information on where or in what numbers the reported landings in Cuba had been made. He had no repeat no evidence on which to base an assessment that a large-scale invasion was in progress. He said he thought that the landings this morning might simply have been "infiltration" as on past occasions, though possibly on a larger scale. He noted that communications with Cuba had been cut off and that aerial overflights had been proscribed. Air carriers had already taken the necessary steps for detouring around Cuba. However, he hoped to have further information for us tomorrow.

³ Note marginale :/Marginal note:

First part of statement only (no supps) given by SSEA in answer to a question in House 17/4. [Ross Campbell]

⁴ Voir/See "Text of Secretary Rusk's News Conference, Including Observations on Cuba," *New York Times*, April 18, 1961, p. 18.

819.

DEA/4470-40

*L'ambassadeur en Yougoslavie
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Yugoslavia
to Secretary of State for External Affairs*

TELEGRAM 116

Belgrade, April 19, 1961

SECRET. OPIMMEDIATE from Geneva.

CUBA; SOVIET INTENTIONS

Under-Secretary of State Brilej has told me that they are very worried about possibility that Khrushchev might consider it necessary to take some action to avoid a diplomatic defeat, if Castro should fall, or alternatively defend peaceful co-existence policy against renewed Chinese criticism.

2. Brilej said they have information that Warsaw Pact meeting was used to secure support for Khrushchev policy of peaceful co-existence and this was reason for only token of attendance by Chinese and Albanians. Nevertheless Khrushchev had to admit at meeting that he had seriously overestimated USA readiness to accept a détente.

3. Brilej said they are worried that Cuba will be another blow to Khrushchev's policies and he may have to react somewhat as he did after failure of Summit meeting in order to protect his own position. Yugoslavs do not repeat not think Russians are likely to intervene in Cuba itself but are afraid they will act elsewhere probably in Laos but possibly also in Berlin. Certain Chinese pressure to do so will be very great.

4. To justify belief Russians will not repeat not intervene directly in Cuba Brilej said that at the time of Suez crisis Khrushchev told Yugoslav Vice President Kardelj, then in Moscow, that he would not repeat not risk future of USSR for Nasser. They think this applies even more to Castro.

[R.A.D.] FORD

820.

J.G.D./845/C962-US

*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 926

New York, April 19, 1961

TOP SECRET. CANADIAN EYES ONLY. EMERGENCY.

CUBA – CONVERSATION WITH ADLAI STEVENSON

To be brought immediately to the attention of Prime Minister.

Mr. Stevenson began by emphasizing that he personally and delegation were not repeat not informed on current situation within Cuba itself. It was his impression, principally based on press reports, that rebels established on beachhead were not repeat not making much progress and that hoped-for defections from Castro were sporadic and not repeat not too significant. Report about liberation of political prisoners in Isles of Pines had not repeat not been confirmed.

2. He foresaw two main possibilities: (a) that rebellion would be quickly crushed, or (b) that it would continue in an inconclusive way in tradition of other Cuban revolutions.

3. On question of USA involvement, Adlai Stevenson stressed that neither he nor his delegation had been in any way in touch with Cuban revolutionary movement. They did not repeat not know what their plans were either before event or in future. He recalled, as he had said in committee, that USA was morally in support of movement. He did not repeat not deny that there had been recruitment and training on USA soil, but this, he explained, was in tradition of attitude of one American state to another in long history of revolutions and counter-revolutions.

4. Stevenson went on to recall, however, that what USA faced in fact was Soviet intervention in Cuba in form of supply of arms and equipment to Castro and establishment of a Soviet-type state in Cuba itself. This, he explained, was the purpose of his statement the previous night, when he dwelt upon internal developments in Cuba, particularly in last few months, including changing of Cuban educational system.

5. Of the various resolutions that have been put forward, USA was only in favour of draft by seven Latin American states (AC1/L276).⁵ This was acceptable because it put emphasis on attempting to find a settlement through Organization of American States.

6. Minister explained that Canada's principal concern was not repeat not to have the conflict spread and that Canada could help in this situation by giving its support to Seven-Power Resolution.

7. Stevenson, referring to problem which would confront USA if rebellion failed, asked what Canada's view would be of direct military intervention in Cuba by USA.

8. Mr. Green said that this would be a very dangerous development; that he thought it would seriously prejudice the position of USA in eyes of Latin American states and of uncommitted nations of the world and put USA in the wrong in UN. Minister recalled how much good had come of the attitude adopted by the new Administration towards problems in UN and its relations with Latin American states. All this would be placed in jeopardy. Mr. Stevenson did not repeat not argue the answer he received.

9. In answer to a question from Mr. Nesbitt as to what might be the long-term effects on USA of a Castro victory, Mr. Stevenson said that this would be a serious blow to USA since it would be evident that USA was not repeat not able to follow up and give support to a cause to which they had given their moral support.

10. In conclusion Minister told Mr. Stevenson that Canadian delegation would support Seven-Power Resolution and speak to other delegations about lending their support also.

[H.C.] GREEN

⁵ Voir/See D.C. Watt, John Major, Richard Gott, and George Schöpflin, eds., *Document on International Affairs, 1961* (London: Royal Institute of International Affairs/Oxford University Press, 1965), pp. 26-27.

821.

DEA/10224-40

L'ambassadeur au Cuba
au sous-secrétaire d'État aux Affaires extérieures
Ambassador in Cuba
to Under-Secretary of State for External Affairs

LETTER NO. L-317
 CONFIDENTIAL

Havana, April 21, 1961

CUBAN CONFLICT – POLITICAL IMPLICATIONS

The decisive developments of the last few days have put to the ultimate test not only the strength of the Cuban Government and its armed forces but also the political complexion and orientation of Prime Minister Fidel Castro and his régime. The Government's reaction to some of the recent developments was illuminating.

2. The increasing tempo of the counter-revolutionary campaign, anxiety over the economic future of the country (our telegram No. 124 of April 12),† sabotage, arson, terrorism, executions and Government countermeasures had been contributing to the growing tension. Mass demonstrations demanding death for saboteurs were staged, and on April 13 the Minister of the Armed Forces, Raul Castro, informed a meeting of farm workers that if they would seize suspected counter-revolutionaries, and send at once for a magistrate to condemn them, they would themselves have the privilege of shooting these imperialist agents.

3. Immediately following the bombing, on April 15, of Havana, Santiago and San Antonio de los Baños by Cuban Air Force planes flown by defecting pilots, it was conceivable that the Cuban authorities were not aware of the facts. However, it is extremely doubtful that the facts were not known five hours later when the Acting Foreign Minister, Dr. Carlos Olivares Sanchez, summoned Heads of Diplomatic Missions and declared that "the Government of the United States is directly guilty of this act of aggression against Cuba." And it is completely inconceivable that 24 hours later, on April 16, when Prime Minister Fidel Castro addressed a mammoth funeral demonstration for victims of the bombing, that the truth had not been ascertained. And yet Castro insisted over and over again in his speech that the United States was to blame for the bombing attacks.

4. In the course of his speech Castro admitted for the first time in public that "This is a socialist revolution." His words were greeted with enthusiastic shouts of "Fidel, Khrushchev, we are on your side." His words are still being echoed and re-echoed in the newspapers and propaganda broadcasts: "This socialist revolution . . ."

5. It was several hours before the Cuban Government reacted officially to the April 17 invasion of Cuba by anti-Castro armed forces, but the series of communiqués it then issued contained a number of interesting reflections of the Government's attitude. There was no note of panic and the communiqués expressed every confidence in the ability of the Cuban Army, the Militia and the Young Rebels and the people. However, the colour connotations of Prime Minister Castro's warning that the newly-found "dignity of the negro man and woman" would be lost if the counter-revolution succeeded, and an excited commentary on the Government-controlled radio denouncing all Catholics as "potential counter-revolutionaries," offered some indications of the extremes to which the régime might descend if the tide of battle turned against it.

6. About 10,000 persons were arrested in Havana during the first two days of the emergency and the campaign of denunciations, arbitrary arrests and confinements gathered momentum during the days that followed. The basis of detention was broadened to encompass the arrest of persons who were "in a position to assist the enemy." Estimates of the numbers affected were as high as 50,000 throughout the island, and it became evident that the vigilante Committees for Defence of the Revolution were supplying much of the information and, in some cases, doing the preliminary investigation, interrogation and detention. The role of these Committees acquired added significance when the arrests continued and many persons remained in custody after the termination of hostilities.

7. Throughout the military crisis the press and radio stressed that Cuba could count on the support of the Sino-Soviet bloc nations. The Soviet announcement on April 18 that "the Cuban people will not be abandoned in time of difficulties" and that the Soviet Union would "give all the aid and support necessary in the fight for freedom and independence of Cuba" was warmly welcomed. The Soviet denunciation of United States complicity in the attack on Cuba and Mr. Khrushchev's warning that this action was "contrary to the interests of the American people and could place in danger the peaceful life of the population of the United States" served to substantiate the Castro Government's position both internationally and within Cuba.

8. Thus, the invasion of Cuba by anti-Castro forces who were widely believed to have received indirect support of one kind or another from sources in the United States occurred less than 48 hours after the bombing attacks by defecting Cuban pilots, and tended to confirm the Cuban Government's claim that the United States was responsible for both the bombing and the invasion. Nevertheless, it is beyond reasonable doubt that Prime Minister Fidel Castro deliberately lied about the bombings and, having done so, felt sufficient confidence to declare without equivocation that the Cuban Revolution was socialist. The Soviet response to these events helped to sustain both the lie and the truth. There were some indications that the Castro Government would go to almost any lengths to maintain itself in power.

9. In the final analysis, the Committees for the Defence of the Revolution may emerge as the primary beneficiaries of this situation. Through intimidation they have been establishing influence and authority in the communities where they are located, as well as in Government Ministries and institutions. This is a familiar pattern through which the Cuban Communist Party could take advantage of this opportunity to gain effective control of the country, but we have not been able to obtain any definite evidence that this is actually occurring.

10. All that can safely be said at this point is that in their "moment of truth" Fidel Castro and his Government have revealed some of their true colours.

ALLAN C. ANDERSON

822.

DEA/2444-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 1316

Washington, April 24, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: London, NATO Paris, Paris, Permis New York (Priority).

By Bag Mexico, Lima, Santiago, Buenos Aires, Montevideo, Sao Paulo, Rio de Janeiro, Havana, Port-au-Prince, Trujillo, Caracas, Port-of-Spain, Bogotá, Ecuador, Costa Rica, Guatemala from Ottawa, Cairo, Delhi, Kuala Lumpur, Colombo, Canberra, Wellington, Lagos, Accra from London.

CUBA-USA POLICY

The abortive "invasion" of Castro's Cuba by Cuban exiles in the past ten days has posed, with great clarity, the problem faced by USA in dealing with a Communist beachhead in the Western hemisphere.

2. In this telegram we shall attempt to review the recent episode, and to examine the implications for USA policy. To begin with, a chronology of the recent developments will be helpful.

3. In retrospect, despite the official secrecy with which the operation was planned, there were a number of public foreshadowings of the ill-fated anti-Castro operation which began on April 17 and, according to present information, seems to have ended in failure in a little over two days. For a year or more it has been common knowledge that numbers of Cuban exiles were present in USA, professing the intent to organize themselves into a force which would ultimately recapture Cuba from Castro. There were suggestions from time to time that the Central Intelligence Agency was interested in these exile groups and was, in fact, assisting them, although this was never conclusively established. It was also apparent that a good deal of controversy existed within high Administration circles as to how to deal with the Cuban problem, many quarters being strongly opposed to any action which could be construed as USA intervention in Cuba.

4. For the past it has also been clear that anti-Castro elements in USA were disunited and fragmented, and included undesirable remnants of the Batista régime. With such a multiplicity of rival groups it seemed unlikely that sufficient unity could be achieved to make possible any serious attempt to bring down the Castro régime by force of arms. In these circumstances, an event of significance in connection with the genesis of the recent undertaking was the formation, on March 21, of the "Cuban Revolutionary Council" under Dr. José Miro Cardona. This was perhaps the most important step in the unification of the non Batista anti-Castro movement, joining the "Democratic Revolutionary Front," headed by Dr. Manuel Antonia Varona (itself a union of some five earlier separate groups), with the "People's Revolutionary Movement" of Dr. Manuel Ray. The Council issued a "mobilization order" within a few days of its formation and reports of increased preparations by Cuban exile groups in Miami, New Orleans, and elsewhere began to appear in USA press.

5. On April 3, the State Department issued a White Paper on Cuba⁶ (our telegram 1054 April 4)† in which it was stated among other things that if USA's call on Castro to cut his links with communism went unheeded, USA was confident that the Cuban people would continue their struggle to free Cuba, with the support it was hoped, of the other Republics of Latin America.

6. On April 5, Miro Cardona visited Washington for discussions with State Department officials, including A.A. Berle Jr. and Philip Bonsal, most recent USA Ambassador to Cuba. (Berle has since been described as among those favouring an armed attack on Cuba.) On the following day, the Cuban Foreign Minister, Raul Roa, once again charged in the UN that preparations were under way for an assault on Cuba. On April 7 and 8, *New York Times* despatches from Miami reported greatly increased activity in Cuba military camps, including the purchase of large quantities of medical supplies and blood plasma. Camps in Florida and Louisiana were being closed down, and men were being moved to "advanced" bases, including Guatemala, by unmarked aircraft. The *New York Times* noted that USA authorities had developed "an extraordinary tolerance for these activities, as if by tacit agreement to look the other way."

7. On April 8, Cardona announced in New York that uprisings against Castro in Cuba were "imminent," but declined to be specific. On the following day the Council issued a hortatory proclamation, in effect a call to arms. Further *New York Times* reports from Miami on April 9 indicated that a "major strategy revision" had been worked out by the Council's forces; it had been agreed that instead of a major invasion, the exiles' efforts would be directed towards multiple small scale guerrilla type landings. This was reported to have been a victory for the Ray faction, which considered any large scale invasion attempt to be probably doomed to failure.

8. By April 10, the press was reporting concern in USA Government quarters; the *New York Times* maintained that within the previous two weeks "a sharp policy dispute has developed within the Kennedy Administration about how far to go in helping the Cuban refugees to overthrow the Castro Government;" conflicting advice was coming from the State Department, Defense Department, and Central Intelligence Agency. As if to settle these doubts, at his press conference on April 12 the President categorically stated that USA forces would not repeat not in any circumstances intervene in Cuba and expressed opposition to the mounting of any "offensive" from USA territory. It now seems clear that the President made these statements in the knowledge that an attack was imminent. Several days later reports from Miami indicated that Cuban leaders there did not repeat not believe that the President's announced opposition to actions from USA soil would interfere with their preparations.

9. On April 15 came what was apparently the first move in the planned attack; the bombing of three Cuban air bases by a number of aircraft, reportedly flown by defectors from the Cuban Air Force, although the precise nature of this operation remains obscure. Castro, charging that the attacks were the prelude to an invasion organized by USA, ordered general mobilization and proclaimed a state of national alert. The landings began on the morning of April 17, and the invading forces appear to have been able to survive for only some two days.

10. In his press conference of April 17, Secretary Rusk said in his opening statement that USA was determined to ensure that no repeat no Americans would participate in any actions in Cuba. He further stated that USA was not repeat not intervening in Cuba and that it did not repeat not intend to do so in the future, emphasizing that "what happens in Cuba, is for the Cuban people themselves." To a question he replied that what was going on in Cuba "was not repeat not taking place from American soil."

⁶ Voir/See *Cuba*, Department of State Publication 7171, Inter-American Series 66, April 1961.

11. From the foregoing catalogue of events it seems clear that USA Administration found itself caught in a conflict between respect for the legal sovereignty of an established, though distasteful and potentially dangerous, régime in Cuba, and wholehearted sympathy with those attempting to upset that régime, many of whom, for good or ill, had been given refuge within USA. There can be no repeat no doubt that the Administration found plenty of support in the country at large and in Congress, both for legal propriety and for the expression of sympathy with the anti-Castroites. It is difficult to determine at this stage whether there was any additional concession on the part of the Administration to the extremist wing of USA sympathizers with the anti-Castro elements. The known public proponents of vigorous USA involvement in Castro's overthrow continued to express their views throughout. Senator Smathers (Democrat Florida) and Senator Goldwater (Republican Arizona) went perhaps as far as any in arguing that official USA restraint was wrong. There has, in addition, been no repeat no lack of speculation as to the role played by the previous, as well as the present, Administration in providing financial and other material support to the Cuban exiles in this country.

12. Perhaps the most specific charges were summarized by Wallace Carroll in the April 21 *New York Times* in which the CIA was alleged, though divided within itself, to have carried on a major project for training and equipping the anti-Castroites. Carroll further reported that it was apparently only at the beginning of April that President Kennedy decided against assisting a large anti-Castro invasion of Cuba, but that at the same time he agreed to let the exiles have ships and other support for smaller scale operations. (President Kennedy in his press conference of April 21 refused to confirm or deny these allegations, indicating that the facts would come out in due course.) Broadly speaking, the responsible press fully supported the Administration's announced policy, though dwelling on the conflicting pressures on the Administration to observe the legal proprieties and to give free rein to moral indignation and sympathy.

13. Curiously enough, the precise nature of USA's dilemma has only found clear expression in retrospect, that is, after the abortive landings had obviously failed. The opinion gained currency at that stage that USA was to be damned if the operation had succeeded, and damned if it failed. In the former case the allies of USA, whether formally in the Western alliance or in the looser ranks of the OAS, would never be sure how far the Administration had, in fact, contributed to the success of the venture. The Sino-Soviet bloc and the uncommitted countries would have had very little doubt. A failure on the other hand would be variously attributed (by those most anxious to follow a forward policy against Communist encroachments) to a perhaps unnecessary regard for legalities; or (by Communist countries themselves) to USA apprehensions regarding the possibility of Soviet intervention. That Soviet intervention, as State Department officials have categorically told us, was never regarded by the Administration as a real possibility, is irrelevant. As for the uncommitted countries, it could probably be assumed that nothing less than a complete prohibition by USA Administration of any help to the exiles, whether of an official or private nature, would have sufficed to demonstrate an absence of complicity (so far as we know, Masferrer, a Batista supporter, was the only Cuban exile against whom official action was taken). Furthermore, even amongst the OAS associates of USA there would presumably remain, in the event of either success or failure, the lurking suspicion that USA was not repeat not prepared to let the Cuban people, any more than the Guatemalans, work out their own internal conflicts.

14. It is too soon to say how deeply held are the convictions of the various groups of countries referred to above. A responsible State Department official has specifically told us that a serious drop in USA prestige in Latin America is to be expected. He added that things

will be worse before they are better. (This was prior to UNGA action on the Mexican and Latin American 7-Power resolutions, the results of which⁷ might have given some comfort to our informant.) On the other hand he related philosophically that USA had been through difficult periods before and would ride out this storm as well. How widespread the effects of these operations may prove to be is also unclear. The relations between USA and the Communist world have again worsened. The suggestion has been raised that the reaction of important neutralist leaders, such as Prime Minister Nehru, may cast a considerable pall over the developing relationships between the new Administration and the neutral nations. It had been widely assumed in USA, and particularly in the ranks of the State Department not repeat not only that the Kennedy Administration was inspiring internal confidence and enthusiasm, but that these feelings were being translated into more friendly and productive relationships between USA and the uncommitted world.

15. It is from these factors then that USA must draw its lessons about the Cuban episode. President Kennedy's April 20 address to the American Society of Newspaper Editors⁸ suggests the direction in which he would hope to see USA dilemma resolved. His attitude appears to derive from two major propositions: the first is that the security of the hemisphere, under threat from Castro's Cuba, is, at least for the present, of greater importance for the smaller and weaker nations than it is for USA; hence the exhortation to Latin American friends to face up to the fact that the real issue of survival in the hemisphere can no longer be postponed. Secondly, the worldwide interests of USA and those of the whole free world demand that the inter-American doctrine of non-interference should not repeat not serve merely to conceal or excuse a policy of non-action – a failure to meet commitments against outside Communist penetration. If such failure occurs, USA Government would not repeat not hesitate in meetings its "primary" obligations to the security of USA. This has been characterized by some as a reservation of the right to intervene in Cuba. But, taken with the other arm of the President's reasoning, that the threat is less direct to USA, we would regard the President's exposition as being, in relation to Cuba, primarily a call for collective action by USA and its hemispheric partners.

16. The President in addition broadened the terms of his exposition specifically to include the threat to the survival of freedom in other parts of the world. In doing so he implied, in terms which remain as yet not repeat not fully explained, that USA was prepared to reorganize its military might, its tactics and its institutions in order to meet the threat of subversion.

17. This then is the first and most immediate USA response but it will, of course, take time to develop fully. It does not repeat not dwell on the steps already taken by the Administration in the political and economic sphere, either to inhibit Communist penetration in Cuba and elsewhere, or to strengthen the political and economic resources of the free and uncommitted world (and in particular the nations of Latin America) against the Communist threat. In the latter sphere, of political and economic cooperation with like-minded nations, State Department officials have specifically recognized that much remains to be done. The Bogotá programme⁹ was referred to April 20 by a State Department official as "a drop in the bucket." He left no repeat no doubt however that the Administration was continuing to follow this

⁷ Voir/See D.C. Watt, John Major, Richard Gott, and George Schöpflin, eds., *Documents on International Affairs, 1961* (London: Royal Institute of International Affairs/Oxford University Press, 1965), pp. 26-28.

⁸ Voir/See *Public Papers of the Presidents of the United States: John F. Kennedy, Containing the Public Messages, Speeches, and Statements of the President, January 20-December 31, 1961* (Washington: United States Government Printing Office, 1962), document 138.

⁹ Voir/See Barry Sklar and Virginia M. Hagen, eds., *Inter-American Relations: Collection of Documents, Legislation, Descriptions of Inter-American Organizations, and Other Material Pertaining to Inter-American Affairs* (Washington: United States Government Printing Office, 1972), pp. 158-63.

course in Latin America as one of the obvious means of promoting and sustaining the strength of USA and the non-Communist nations of the world. The direction of USA policy after the Cuban dénouement can, therefore, be expected to follow two parallel paths. These will be, on the one hand, the familiar political and economic expedients that have been expounded by the new administration; and, on the other, a vigorous search for new answers to the modern form of the struggle between totalitarianism and freedom, with particular emphasis on the subversion practised by the Communist world.

18. For the present, however, it seems apparent that USA and probably the President himself have suffered a serious blow to their prestige, and it seems likely that the recent events will be described as another USA failure in some ways comparable to the U2 affair. But these events and the President's statement of April 20 may help to alert the governments of Latin America to the dangers of the situation and encourage them both to face up to the menace of the Communist beachhead in Cuba and to set to work to put their own houses in order. As the President said, "There are from this sobering episode useful lessons for all to learn." In particular the role of the CIA in this affair is bound to be carefully reviewed. It has been announced that General Maxwell D. Taylor has been given the task of conducting a review of USA "para-military" planning, in which he will, apparently with Attorney General [Robert] Kennedy's assistance, examine the role of the CIA. Certainly, the strength of opinion in USA on the Cuban issue will serve to give this problem a high place on President Kennedy's agenda.

[A.D.P.] HEENEY

823.

DEA/2444-40

*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 25, 1961

CONVERSATION WITH THE CUBAN AMBASSADOR

The Cuban Ambassador came to my office this afternoon to express the concern of his Government at the possibility that the United States may launch another invasion of Cuba on a much larger scale than last week's abortive attempt and to ask what the Canadian Government's attitude would be if such an attack took place. The Cuban authorities, he stated, had reason to believe that the operation now being planned would involve United States marines camouflaged as Cuban rebels and armed with modern heavy weapons. United States warships sailed dangerously close to Cuban shores during the last few days, and a number of United States naval units had entered Baracoa Bay only yesterday. The Cuban authorities wished to avoid any response to these provocations which could offer an excuse for United States intervention. They remained convinced however of the aggressive intentions of the United States Government.

2. I replied that if the Cuban Government feared an invasion, it lay within its power to take certain steps designed to influence public opinion favourably towards Cuba not only in the United States but in other areas. Attacks against a universal body like the Roman Catholic Church, for instance, were resented throughout the world; in Canada, there was growing concern about the fate of arrested priests. Dr. Castro, I felt, should seize this opportunity of winning sympathy by showing clemency to the captured invaders. A generous attitude on his

part could do much to improve the chances of a peaceful settlement, while stern reprisals would no doubt strengthen the hand of those who wished to bring about his downfall by force. What was in jeopardy, I added, was not Cuba's social revolution, but its political position.

3. The Ambassador retorted that the Cuban Government had indicated on three occasions at least, since President Kennedy took office, its willingness to discuss matters in dispute. These overtures had been ignored, and the United States Government had replied by organizing an expedition which had been unsuccessful but would certainly be followed by others. The warnings of Cuban representatives at the United Nations during the past year had been widely disbelieved. However, they had proved right, and the present fears of the Cuban Government should not be discounted as mere imaginings.

4. I said that such advances as had been made by the Cuban Government had perhaps not been entertained seriously because of the belligerent statements with which they had been accompanied. In the same way, the charges brought by the Cuban representatives at the United Nations would have been more impressive had they not been presented in such shrill tones. If the Cuban Government sincerely wished a reconciliation with the United States, it should prepare the way by giving evidence of a more conciliatory attitude.

5. The Ambassador insisted that the real reason for the continuing hostility of the United States Government was the question of expropriation of United States private interests. The threat of communism, he contended, was only a convenient pretext. I replied that according to President Kennedy's own statements, the problem of compensation for nationalized property could be solved through negotiation. There had been a rapid evolution of United States policy in this regard and the programme for Latin American development supported by the present administration indicated a change of course which would facilitate a settlement in Cuba. The main issue, in the eyes not only of the United States, but of many countries, was the danger of communist expansion posed by the new bonds established between Cuba and the Soviet Union.

6. The Ambassador enquired about the position Canada would take in the event of an armed attack against Cuba. I said that Canada was bound by the obligations it had assumed under the United Nations Charter, and would act in conformity with these obligations.

N.A. R[OBERTSON]

824.

DEA/2444-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 1333

Washington, April 26, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Repeat for Information: London, NATO Paris, Paris, Permis New York (Priority), Bonn (Priority) from Ottawa, T&C Ottawa, Finance Ottawa, PCO Ottawa from Ottawa.

By Bag Havana, Mexico, Lima, Santiago, Buenos Aires, Montevideo, Sao Paulo, Rio de Janeiro, Port-au-Prince, Trujillo, Caracas, Port-of-Spain, Bogotá, Ecuador, Costa Rica, Guatemala from Ottawa, Moscow from London.

CUBA

We called on Ted Achilles yesterday to discuss the Cuban problem and particularly the State Department's assessment of the events of last week and their outlook on the immediate

prospects. Achilles, who was the State Department Counselor under the previous Administration, and who more recently has been a member of the Task Force on Latin America along with Adolf Berle and Tom Mann, has just been given a new assignment. He is to be in charge of a small but potentially important office within the State Department called the Operations Centre. This office has just been set up to deal with critical situations and areas, and to work in close cooperation with the appropriate divisions of the Department to brief the Secretary and to consult closely with the White House, the Pentagon and the [Central] Intelligence Agency on situations which are likely to be critical and which may require urgent policy decisions and actions.

2. The first problem which the new centre had inherited was to deal with the aftermath of the Cuban operations of last week. Achilles did not repeat not mince words in indicating that these operations had been ill-conceived and had failed to achieve their purpose. The effect around the world on the prestige of USA as the result of the failure of these operations, as well as the strengthening of Castro's domestic position and the weakening of the resistance forces were all frankly noted. The State Department and the Administration were now engaged in a careful reassessment of the problem posed by Castro's Cuba and of the measures which should be taken to deal with it.

3. Achilles was in the process of making estimates of the reaction of the Latin American governments to the firm position set out, albeit in general terms, in the President's speech before the American Society of Newspaper Editors. His assessment was still very tentative and preliminary, but at the present stage he would list the following Latin American governments as generally favourable to the President's firm stand: Colombia, Peru, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Paraguay and Argentina. He described Panama as having given a "private" favourable reaction. He would place in the uncertain column the following: Chile, Venezuela, Uruguay, Dominican Republic and Haiti, and the unfavourable column Ecuador, Bolivia, Brazil and Mexico. He indicated that this break down was based on intimations which the State Department had received from officials representing the missions of these countries in Washington, or in some cases reports from USA missions in the countries concerned. He was also examining break downs of Latin American reactions on the basis of press surveys and other indices of public opinion.

4. Of more immediate importance, Achilles said that the State Department was now conducting enquiries through the diplomatic channels, both through OAS missions in Washington and through appropriate USA missions in Latin America, to obtain a clearer picture of the reaction of Latin American governments to the current problem in Cuba, and to alternative methods of dealing with it. These governments were being asked as a matter of urgency to indicate whether they in fact recognized that there had been an intrusion of an extra continental power into the hemisphere and whether they considered that this was a threat to hemispheric security and called for measures of hemispheric defence. (On the nature of the Castro threat, Achilles was appreciative of the statement which the Prime Minister made in the House of Commons on April 19.) They were also being asked whether the governments favoured OAS action to deal with the problem, action by some smaller group within the OAS framework, or unilateral USA action. We pointed out to Achilles that it might be difficult for the governments to respond to these questions as to the forum in which action might be taken without a more precise indication of what measures might be proposed. Achilles did not repeat not disagree, but indicated that their first approach would be to the OAS governments on a bilateral basis to determine whether in view of the threat to hemispheric security, some form of collective examination of the problem of Cuba would receive general support.

5. He expected that the results of this survey would be available towards the end of the week as a basis for assisting USA in determining how best to proceed. In the meantime, Achilles told us that the National Security Council which met last Saturday had not repeat not taken any basic new decisions with respect to Cuba, nor repeat nor did he expect that the NSC at its forthcoming meeting on April 27 would be in a position to take specific action. He indicated, however, that the Administration was itself examining a range of possibilities, including further economic and trade measures (as the *New York Times* suggested yesterday) but said that as yet no repeat no firm decisions had been taken. In this context, we reminded Achilles of the importance of providing us with advance information on any steps which the Administration might propose in this general field which could affect Canadian trade interests and practices (see also our telegram 1324 April 25).†

6. As a further immediate step Achilles said that, based on the President's speech to ASNE, they would continue steadily to develop USA position before world opinion, and he strongly recommended a careful study of this speech. It implied that while Castro's Cuba did not repeat not represent a military threat to USA, it represented a very serious threat to the countries in the area. Achilles also emphasized that the patience of USA with respect to Cuba was not repeat not inexhaustible. He added also that the positive "alliance for progress" concept for Latin America as a whole would be stressed.

7. Finally, Achilles said that State Department was anxious to make the best possible assessment of the actual state of feeling within Cuba. While he refrained from directly criticizing the intelligence basis on which last week's operations had proceeded, he said that they were anxious in considering any policies which might be developed vis-à-vis Cuba, whether collectively or unilaterally, to act on the basis of the clearest possible picture of the situation within Cuba itself. Because of the Canadian mission there, he expressed the hope that we might be in a position to assist State Department in this respect.

8. We asked Achilles what the basis was for the President's discussions with his predecessor and with leaders of the Republican Party. He confirmed that these discussions related to the possibility and advisability of proceeding with further steps on the lines of the approach set out in paragraph 4 above. Achilles added that he personally was not repeat not too optimistic that the OAS governments as a group would be prepared to go along with anti-Castro measures.

9. We enquired about the prospects for the Quito meeting. He said it was "the meeting no repeat no one wanted" and thought it would again be postponed.¹⁰

10. This conversation with Achilles was on a Personal and Confidential basis.

¹⁰ La onzième Conférence interaméricaine. La séance a en fait été reportée; voir le document 829.
The Eleventh Inter-American Conference. The meeting was in fact postponed; see document 829.

825.

DEA/2444-40

*L'ambassadeur aux États-Unis
au secrétaire d'État aux Affaires extérieures*

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

TELEGRAM 1401

Washington, May 2, 1961

CONFIDENTIAL. OPIMMEDIATE.

Repeat for Information: Candel New York, Permis New York, London, NATO Paris, Paris (Priority), Bonn (Priority) from Ottawa.

By Bag Havana, Mexico, Lima, Santiago, Buenos Aires, Montevideo, Sao Paulo, Rio de Janeiro, Port-au-Prince, Trujillo, Caracas, Port-of-Spain, Bogotá, Ecuador, Costa Rica, Guatemala, Quito from Ottawa.

CUBA: ATTITUDE OF THE SECRETARY OF STATE

When I saw the Secretary of State yesterday he had just returned from a three hour session with the Senate Subcommittee on Inter-American Affairs, before which he had the difficult assignment of explaining the Administration's position in what was essentially a post-mortem on the ill-fated refugee landings. You will have seen newspaper accounts of this "closed" meeting from which it emerged that USA is entertaining no repeat no present thought of military intervention in the island's affairs. We have no repeat no reason to doubt this conclusion and nothing that Rusk said to me would support any forecast of drastic unilateral action.

2. The Secretary, in his conversation with me, made no repeat no attempt to defend USA involvement in the ill-fated operations of April 17 nor repeat nor to underestimate the consequences. He did say however that from State Department reports the landings and their failure had seemed to have accelerated the crystallization of opinion in the hemisphere and a clearer definition of the nature of the threat involved in Castro's Communist régime.

3. In the Latin American countries, Rusk went on, the pro-Castro riots which had taken place were, with the exception of those in Uruguay, no repeat no more serious or extensive than might have been forecast pretty accurately from the known dimensions of the Communist apparatus in the various countries. Further there were important indications that several of the Latin American governments which had [heretofore] been unwilling to recognize or admit the essential character of the Castro problem were beginning to take a more realistic view of its gravity. There appeared to be increasing awareness in the hemisphere that Castro had come to represent a serious threat beyond Cuba's boundaries and, Rusk felt, a better understanding in many quarters of the significance which the USA Administration attached to Soviet encroachment in the hemisphere. This was not repeat not to say that USA participation in the recent affair had any wide support or sympathy in Latin America; nor repeat nor did Rusk attempt to suggest any such thing.

4. In referring to the gravity and difficulty and danger of a Cuba dominated by Soviet communism, Rusk reiterated his appreciation of the statement made by the Prime Minister in the House of Commons on April 19. He also mentioned on a personal basis and quite informally the possibility of some Canadian association with the "alliance for progress" programme as a positive means of strengthening the solidarity of the hemisphere. He welcomed word which he had had that we were to participate in the forthcoming Santiago meeting of the Economic Commission for Latin America and noted that we were to have an

observer at the Quito meeting. Incidentally he confirmed that this would now certainly have to be postponed.

5. I should add that in our conversation concerning the landings I left the Secretary in no repeat no doubt that USA involvement in the refugee military operations was widely regarded in Canada as a serious mistake. Further there was no repeat no disposition on Rusk's part to regard what Mr. Diefenbaker had said as in any way supporting this unfortunate operation.

[A.D.P.] HEENEY

826.

DEA/11280-1-40

*Note du chef de la 1^{ère} Direction économique
pour le sous-secrétaire d'État aux Affaires extérieures*

*Memorandum from Head, Economic (1) Division,
to Under-Secretary of State for External Affairs*

SECRET

[Ottawa], May 3, 1961

FURTHER UNITED STATES ECONOMIC MEASURES AGAINST CUBA

According to our Embassy in Washington (its telegram No. 1324 of April 25, 1961),[†] the possibility that the 'Trade with the Enemy' Act will be invoked by the United States against Cuba is still very much alive. Recent United States press reports speculate that Foreign Assets Control regulations may soon be applied against Cuba.

2. Our Embassy has again been assured that it will be informed privately in advance of any announcement by the United States to impose these regulations against Cuba. However, this may only be very shortly before an announcement is made, and in view of the complexity of the issues that would be raised for us, it might be appropriate already to examine the forms the United States decision might take and the courses that would be open to us.¹¹

3. You will recall that about a month ago our Embassy was informed by the State Department that, if the F.A.C. regulations were applied against Cuba, foreign subsidiaries, including of course United States subsidiaries in Canada, would be exempted. The Embassy considers that it has received a categorical assurance. However, in view of recent developments in the Cuban situation, the possibility that this exemption will not be made should perhaps not entirely be ruled out. The United States Government is probably far less disposed now to provide for an exemption. It may also feel, despite our strong stand on the application of the F.A.C. regulations to oil bunkers for grain ships to China, that the Canadian reaction to the application of these regulations to Cuba without exemption should not be as adverse as it would have been earlier, in view of their reaction to the statement on Cuba made on April 19 by the Prime Minister in the House of Commons, and Dr. Castro's recent declaration that Cuba has become a socialist state.¹²

4. If, on the other hand, the United States Government maintains its decision to exempt Canadian subsidiaries, we may nonetheless be faced with a United States request to consider control measures of our own designed to ensure that the United States Foreign Assets Control

¹¹ Note marginale :/Marginal note:

Heeney's recent conversations with Ball. We have had no reference to any positive action they might seek from us. – I think we should not revive discussion of Canadian export controls.

If we do have to make a move there may be some advantage in moving under an agreement with U.S. rather than by simply putting Cuba in "the Communist bloc" for trade purposes. N.A. R[obertson] 9.5.61

¹² Voir/See document 821.

regulations are not frustrated by exports from Canada. As you know, we are already preventing the evasion of United States export controls on Cuban trade by prohibiting the shipment of United States origin goods through Canada to Cuba. When the possible application of F.A.C. regulations against Cuba was discussed between United States and Canadian ministers at the time of the last meeting of the Canada-United States Joint Economic Committee in Washington, Canadian ministers indicated their willingness to consider what could be done, if the United States put on F.A.C. controls but exempted firms in Canada, to prevent the evasion of these controls with respect to a few sensitive items such as replacement parts for trucks, and oil and sugar refining equipment in which there has been no previous appreciable Canadian trade. However, while we are in a position to cooperate with the United States in the application of their export controls against Cuba without affecting the export of Canadian-made goods, we would now, in order to prevent the frustration of the F.A.C. controls, have to prohibit the export of certain Canadian-made goods of no strategic significance of the types indicated above; this cannot be done within the framework of our existing regulations.

5. Whether the United States enforced the F.A.C. regulations against Cuba without exemption, or provided for an exemption for foreign subsidiaries of United States companies (perhaps at the same time asking for our cooperation in preventing the frustration of their controls), some response would clearly be expected from us.

6. If the United States were to decide in favour of the first course, our reaction should, we think, be guided by the following considerations. (1) Our traditional stand on the extra-territorial application of the F.A.C. regulations has been so firm in other instances that it would no doubt be undermined if we failed to react vigorously. (2) A general exemption for Canadian subsidiaries would seem desirable both as a matter of principle and on practical grounds. (3) Some degree of cooperation with the United States in preventing the frustration of their regulations might be appropriate because:

- (a) we would have a better chance of obtaining an exemption;
- (b) Mr. Fleming and Mr. Hees have already indicated to United States ministers that they would be prepared to examine cooperative measures by Canada;
- (c) it could be argued that failure to cooperate might encourage the United States to use force against Cuba; and
- (d) in view of the United States' increasing concern over Cuba, the refusal to consider means of preventing the frustration of United States controls could be expected to provoke sharp United States reactions.

The basic issue behind possible Canadian cooperation is that, if there is to be any restriction on the export to Cuba of Canadian-made goods of no strategic significance, it is far better to limit this restriction to a few commodities, and to keep control in Canadian hands rather than leave it to the United States Treasury. It must be recognized on the other hand that if we did cooperate by setting up some controls on the export to Cuba of Canadian equipment, we would be involved in the United States economic blockade of Cuba to a degree we have avoided so far. (This might, however, be justified in view of Dr. Castro's latest statement on the socialization of his country.)

7. On balance, we would favour the following response to the imposition by the United States of F.A.C. regulations against Cuba:

- (a) to remind the United States of the definite indication they have given our Embassy that an exemption would be granted;
- (b) to emphasize that we expect Canadian subsidiaries to be exempted; and
- (c) to indicate that if an exemption were granted we should be prepared to examine what could be done to prevent the frustration of United States controls.

8. For the same reasons, we might also give a forthcoming response to the United States if they provided for an exemption for Canadian subsidiaries from the F.A.C. controls, but asked the Canadian Government for cooperation in preventing the frustration of these controls.

9. If a policy decision were taken to cooperate with the United States with respect to the export from Canada of sensitive items such as automotive or refinery spare parts, its implementation would raise several technical issues. The items concerned do not appear at the present time on the Canadian Export Control List; the only ways to control them would therefore be either to list them or put Cuba on the Area Control List. The *former course* would call for an inter-governmental agreement with the United States. (Under the Export and Import Permits Act, an item can only be put in the Export Control List if one of three requirements are met: the item must be of a strategic nature; its export must be controlled for conservation purposes; or the control enforced in order to implement an intergovernmental agreement. In this instance, the first two criteria could not be met.) Moreover, the commodities concerned would become subject to export licensing for all destinations. (The cumbersome administration of such a control might be eased by the issuance of a general export permit for all destinations except Cuba.) The *second course* would mean that we were regarding Cuba as part of the Communist Bloc. (In this regard it should be noted that we have already taken a step in that direction by listing Cuba with other Communist countries as prohibited destination on General Export Permit Ex 2 Par 1.) We would also be enforcing against Cuba stricter controls than against the Soviet Bloc, since the equipment mentioned above seems to be within the range of permissible trade with the Bloc. (To prevent transshipment to Cuba through the Bloc we might have to prohibit export of these items to the whole Soviet Bloc.) Finally, if Cuba were put on the Area Control List, all Canadian exports to Cuba including fish, potatoes, newsprint and other traditional exports, which can now be shipped there freely, would become subject to export controls (but we have nearly lost the Cuban market for most of these products, and the difficulty might be eased by the issuance of a general export permit for them).

10. On balance, it seems to us that with regard to the technique of control the course that would raise the least difficulties would be to place Cuba on the Area Control List.

11. It seems most likely that relations with Cuba will be one of the main topics for discussion between Mr. Diefenbaker and President Kennedy when they meet later on this month. If, in the meantime, no decision has been taken by the United States to invoke the F.A.C. regulations against Cuba, this meeting might provide an opportunity for emphasizing that we expect an exemption to be made for Canadian subsidiaries and, if need be, for indicating that we would be prepared to consider cooperative measures for preventing the frustration of United States controls.

12. We should be grateful for your reaction to the suggestions made in this memorandum.¹³

O.G. STONER

¹³ Notes marginales :/Marginal notes:

This is looking ahead somewhat. A.E. R[itchie]

Mr. Stoner to see the Undersecretary's comments. A.E. R[itchie]

827.

A.D.P.H./Vol. 1

*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*

PERSONAL AND CONFIDENTIAL.

Washington, May 4, 1961

Dear Norman [Robertson],

This is Scotty Reston's piece on Cuba and the President's Harvard group.¹⁴ It was in last Friday's *New York Times* but you had not seen it.

The day Reston wrote this I had talked with him. He was pretty depressed by the Cuban experience and said that he had found Mac Bundy in a very low state (in fact Scotty told me that Bundy had thought of resigning). Reston thought that the people involved would profit from their cruel lesson and that this would be to the good. His worst fear was what he mentions in his last paragraph, namely the reaction against "intellectuals" in government.

On Cuba, or rather Latin America generally, I do hope that the Government react favourably to your proposals for showing more interest and making more of an effort. The proposal to add a really good senior Latin American specialist like Tremblay as Minister at this Embassy is excellent. An imaginative person would have plenty to do and plenty of sources of information and centres of interest in this town – among the U.S. people involved, through the O.A.S. of course, among the Latin American diplomatic colony and in U.S. business circles as well.

But, if we are going to make more impressive professions of our interest in Latin America, let us accept in advance the necessity of following up by performance. Increasing our diplomatic representation, even joining the O.A.S. are all very well but what could really be helpful is to back up those elements in the United States – and this includes the present Administration – who are really trying to construct and put into action a positive policy toward the Latin American countries in terms of social and political reform and economic development. That is to say, let us go into this thing with our eyes open or not at all. Not that I think that we would need to contemplate heavy budgetary undertakings – though, no doubt, there would have to be some – but rather that we should be willing and able to make a genuine effort in terms of technical, cultural and educational assistance of all kinds and spend a good deal more time on Latin American political problems than we have ever hitherto.

I shall be interested to know how your ideas are received and what develops.

Yours sincerely,

A.D.P. HEENEY

¹⁴ Voir/See James Reston, "How Cambridge Flunked the First Test," *New York Times*, April 28, 1961, p. 30.

828.

DEA/2444-40

*Note**Memorandum*

CONFIDENTIAL

[Ottawa], May 4, 1961

NATO MINISTERIAL MEETING – MAY 1961
CUBA

TOPICS FOR DISCUSSION

(1) Private Conversations

No doubt there will be opportunities for private conversations on this important and delicate subject with the US Secretary of State. It would seem desirable that the more difficult points be made in such private conversations rather than in the full Council Meeting.

In conversations with Mr. Rusk you might wish to express very frankly your misgivings about the consequences of any armed attack on Cuba or even of continued rumours of the possibility of such an attack by United States forces.

While Canadians are aware of the dangers presented by developments in Cuba and in Cuba's relations with the Soviet bloc, and while many Canadians strongly deplore the treatment of the Church in Cuba, it cannot be assumed that the Canadian people would sympathize with any move by the United States to upset the Castro régime by force from outside. The memories of United States domination of various Caribbean countries in the past, the general dislike in Canada of interference by one country in another country's affairs, the tendency of some Canadians to regard United States intervention in Cuba as designed to protect or restore rather selfish United States interests and the important fact that Cuba is such a small country compared with the United States could well combine to offset any disapproval which there is in Canada of the practices of the Castro Government.

The United States therefore cannot count on a sympathetic Canadian reaction to the use of force against Castro. Such a development, apart from its other consequences, could impose a considerable strain on United States-Canadian relations. Even the continuation of rumours of a possible invasion is bound to affect the attitudes of many people in Canada towards the United States. Moreover the adoption of further coercive economic measures (such as foreign assets control measures) could complicate relations between the United States and Canada.

Although the United States obviously has to take many other considerations into account, it is to be hoped that in the interests of United States-Canadian relations some way can be found of easing the tension in the Caribbean without armed intervention or extreme economic measures. It would seem important that whatever steps are taken carry the judgment of the principal Latin-American countries.

(2) Council Discussions

You may consider that the raising in Council of the Cuban question should be left to the United States since it might be taken amiss if Canada were to bring up the matter. If we are to have any influence on United States decisions regarding Cuba it would seem undesirable for us to appear to be exposing them to criticism in the more or less public discussions of the Council.

If the Cuban question is raised you might wish to make the following points:

(a) Canada deplores many of the practices of the Castro régime and in particular shares the concern of the United States over the tendency of the Castro régime to become increasingly oriented towards the Soviet bloc.

(b) Concerning the nature of the Castro régime, we recognize its dictatorial character, but are not sure that the use of the term "socialist" by Castro in his May Day speech is necessarily conclusive proof of the complete adherence of Cuba to the Soviet bloc. There would still appear to be a strong nationalist element in the present Cuban system. Whatever the real nature of the present Cuban régime, it is clear that many of the social and economic changes introduced during the past year or so cannot be reversed readily, if at all, by a mere change of government.

(c) We would prefer to see the Cubans themselves determine their future course, since outside interference (however well-intentioned) may do more harm than good.

(d) We think that any international action should at least carry the judgment of the main Latin-American countries.

(e) While we are aware of the provocation to which the United States has been subjected, and are conscious of the strong feelings now existing between the two countries, we wonder whether the possibility of negotiation should be entirely ruled out. Whether or not such negotiation would be likely to yield any concrete results, it would be a pity for the United States to appear to be in the position of refusing even to talk.

(f) The note from President Dorticos concerning the Cuban Government's alleged desire to discuss matters with the United States does not specifically call for a reply from the governments to which it was addressed. If, however, the general view is that a reply should be given, the Canadian delegation would suggest that any such communication should note the declared willingness of the Cuban authorities to participate in discussions and should express the hope that the Cuban Government would do its part to help create conditions in which fruitful negotiations might become practicable.

829.

DEA/2444-40

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

TELEGRAM 1441

Washington, May 5, 1961

SECRET. CANADIAN EYES ONLY. OPIMMEDIATE.

Reference: Our Tel 1333 Apr 26.

Repeat for Information: T&C Ottawa, Finance Ottawa, PCO Ottawa from Ottawa, London, NATO Paris, Paris, Permis New York (Priority), Bonn (Priority) from Ottawa.

By Bag Havana, Mexico, Lima, Santiago, Buenos Aires, Montevideo, Sao Paulo, Rio de Janeiro, Port-au-Prince, Trujillo, Caracas, Port-of-Spain, Bogotá, Ecuador, Costa Rica, Guatemala from Ottawa, Moscow from London.

CUBA

We had the opportunity of a further word yesterday with Achilles, the Head of the new Operations Center as it is called in the State Department. This office, which works in close relationship to the Secretary, is still primarily concerned with the Cuban problem and from our

most recent discussion with Achilles, it was our impression that the State Department's evaluation of the Cuban situation and what can be done about it is proceeding at a cautious and measured pace. The Department is still seeking to interpret the various response which have come in from USA missions located in the member countries of the OAS to the enquiries described in our earlier message. As might be expected, these responses have varied a good deal, and in the absence of specific USA proposals as to future policy with respect to Cuba, present a somewhat inconclusive picture.

2. Achilles said that from his reading of the reports, a number of the governments concerned would be quite happy to see the USA take stronger measures towards Cuba, but would prefer not repeat not to hear about them in advance. Certain other governments have urged the importance of prior consultation, but as Achilles said, would be the first to complain publicly at specific measures which might be proposed. However most governments, he said (and this is in line with what the Secretary told us the other day, see my telegram 1401 May 2) now have a clearer realization of the potency and dimensions of the Castro threat and the present dependence of the régime on the Soviet block, and are prepared to consult about its implications.

3. In the time available, we were not repeat not able to examine closely the specific replies on a country by country basis as received by State Department from USA missions concerned. From Argentina, the report was that the Argentine authorities emphasized the importance of cooperation in dealing with the Cuban problem, while there was some indication that individual states could act unilaterally under certain circumstances. The Foreign Minister of Brazil had been "non-committal" and had emphasized that this problem might best be discussed at the Quadros-Kennedy level. The estimate of USA mission in Rio was that the Brazilian Government would probably continue to take the position that no repeat no bold steps should be expected from it in the foreign policy field until further progress had been made in dealing with internal Brazilian problems. (Recent press reports however indicate somewhat greater Brazilian concern with Cuban developments). From Chile, the Foreign Minister, Vergara, had expressed no repeat no disagreement with the State Department's analysis, but was disturbed at any prospect of possible unilateral action. The report from Colombia suggested that the Colombian Government would only be likely to move along with the governments of such countries as Argentina, Brazil, Peru and Venezuela. From Ecuador, the indication was that they would be reluctant to join in a condemnation of Castro. Mexico again was noncommittal and would be likely to take the view that no repeat no effective international legal instrument existed at present to oppose the spread of international communism.

4. These responses of course were based on preliminary discussions in the capitals themselves and were not repeat not definitive. Achilles said that the next step would be taken here to examine (possibly by the continuation of some kind of task force procedures) the various courses open to USA and the members of the OAS in dealing with the problem of Cuba. As on the occasion of our previous discussion, he said he could not repeat not yet be specific as to what these courses might be, or as to the degree to which they might be effective in dealing with Castro. This would be the subject of careful study before any proposals were put to the OAS governments.

5. He mentioned in confidence the suggestion some weeks ago by Argentina that the Argentine authorities might play a mediatory role in the Cuban dispute, and as we understand it, the State Department had indicated that they would not repeat not be interested in a mediation effort until the Cuban Government cut its ties with the Communist bloc. This prompted us to raise with Achilles the question of whether there was any possibility of the State Department taking up the Cuban reference in the Foreign Minister's recent communication to foreign diplomats in Havana about re-establishing diplomatic relations which had been buried in the highly polemical Cuban statement. Although the State Department spokesman had commented immediately and negatively on this, we wondered whether it should not repeat not be given further consideration as a means of reversing the present trend. Achilles in replying adhered firmly to the position taken by the President in his speech to the ASNE group, to the effect that while trade and property matters could be negotiated, Soviet encroachment in the hemisphere was not repeat not negotiable, and implied that this would rule out the reestablishment of diplomatic relations and the renewal of normal contacts as long as the Castro Government adhered (as it appeared to be doing) to its present course.

6. In connection with his reference to a possible task force (he mentioned such names as Dean Acheson, Herman Phleger and Arthur Dean), Achilles said that he believed that one important study which should be made was to develop a more coherent doctrine within the framework of international law for dealing with the current forms of Communist bloc indirect aggression in the hemisphere. This was a problem to which the President had already referred on a number of occasions. The principal obligations assumed by members of the OAS up to the present related to methods of dealing with overt aggression. In Latin America, however, as in other areas of the world, the real threat was more indirect in nature, and adequate procedures should be developed on a wider international basis for dealing with it.

7. Achilles confirmed that the Quito meeting was now postponed, but indicated that when the State Department had formulated its own proposals on Cuba and the role of the OAS in this matter, there would be further discussions with the OAS states as to the forum of consultation. He thought the most likely prospect was for what he called a separate meeting of foreign ministers. Meanwhile, the process of consultation with the OAS governments would continue.

8. You will see from our immediately following telegram† that the question of a possible foreign ministers meeting on the Cuban problem has now become the subject of public speculation.

830.

DEA/2444-40

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

TELEGRAM 1480

Washington, May 8, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Our Tel 1324 Apr 25.†

Repeat for Information: T&C (Roberts) Ottawa, Finance (Plumptre) Ottawa, PCO (Bryce) Ottawa (OpImmediate) from Ottawa.

CUBA; FAC CONTROLS

1. The Under-Secretary of State for Economic Affairs, George Ball, asked me to call on him after noon today, May 8. He told me that (largely as a result of domestic political pressures) further active consideration was being given to the application of Trading With the Enemy provisions to Cuba and that the State Department were mindful of their undertaking to inform us in advance before action was taken. Martin, Assistant Secretary, Ivan White, Deputy Assistant Secretary for European Affairs, and other USA officials here present. Schwarzmann was with me.

2. Ball said that Treasury had been examining the law and regulations in relation to the understanding which had been reached with Canadian ministers at the time of the meeting in Washington of the Joint Cabinet Committee on Trade and Economic Affairs viz that, in the event that the FAC regulations were applied to Cuba, USA would arrange to exempt USA controlled subsidiary concerns in Canada.

3. Treasury officials were of opinion that it would not repeat not be possible to provide in the order applying the regulations to Cuba an exemption for Canadian (or foreign) companies without opening the door to frustration throughout the world of USA policy concerning trade with Communist countries (e.g. by the incorporation of foreign subsidiaries). Such a general exemption, you will recall, was the course that had been contemplated when Mr. Fleming and Mr. Hees discussed the matter with Mr. Dillon and Mr. Ball on March 14 (our telegram 820 March 15).†

4. Ball said that USA officials had given consideration to what alternative course might meet Canadian requirements. It was now suggested that, to meet the Canadian situation, a press release be issued, at the time the order was made, to the effect that in view of Canadian trade policy respecting Cuba, USA companies which had subsidiaries organized in Canada and whose transactions were subject to Canadian law might apply for blanket Treasury licences pursuant to which the subsidiaries could transact with Cuba in accordance with Canadian law.

5. In response to this proposal, I said at once that (apart from the wisdom of any such action, upon which Ball knew our views) this was a very different procedure to that which had been agreed in March. We would, of course, consider what USA authorities now proposed but it did not repeat not seem to me that it could be other than objectionable from the Canadian point of view for reasons with which USA officials were fully familiar. Indeed I felt that the adverse reaction in Canada would be very strong. The Canadian attitude had been fully set forth on a number of occasions and we had thought that USA departments concerned had agreed to avoid the difficulty by an exemption of all firms in Canada which were owned or controlled in USA. The present proposal, on the other hand, seemed to me to involve an assertion of USA right to

interfere with (or countenance) the commerce of Canadian corporate citizens and it was to this that we had consistently taken serious objection on the basis of principle.

6. I went on to say that it did not repeat not seem to me that any form of words in a press release could be found which would meet the Canadian position so long as USA insisted on the licensing of transactions by Canadian firms upon application by their USA parents or based their public announcement of an exemption on the nature of Canadian policy vis-à-vis Cuba. Although we would look at their proposal carefully, I hoped very much that they would reconsider the possibility of implementing the earlier understanding to exempt Canadian companies entirely.

7. Finally I said that I hoped very much that action would not repeat not be taken before the meeting of the Prime Minister with the President in Ottawa next week. Ball said that no repeat no date had been fixed (and indeed no repeat no final decision taken, as I understand it,) for a presidential order. He said that he would try to delay action until he had further word from us.

8. Will you please instruct me as soon as possible as to the firm reply I should make.

[A.D.P.] HEENEY

831.

DEA/2444-40

*Note du sous-secrétaire d'État aux Affaires extérieures
pour la Direction de l'Amérique latine*

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

RESTRICTED

[Ottawa], May 9, 1961

CUBA: CALL OF POLISH CHARGÉ D'AFFAIRES

At his own urgent request the Polish Chargé d'affaires called on me on Monday afternoon. He said that he had been instructed by his authorities to discuss Cuba again with me in view of the grave consequences which might arise out of developments there. He said he did not wish to repeat the catalogue of considerations which he had outlined in his interview on April 18, but he had received further reports from the Polish Embassy in Washington and elsewhere which he would like to discuss.

2. Members of the Polish Embassy and other Poles in Washington have recently had conversations about Cuba with Messrs. Bowles, Rostow, Wiesner and other personalities in the U.S. Administration, and had found a general feeling that the recent episode had been a tragedy and should not be repeated. This had been the line taken by Bowles with Ambassador Spasowski. The Polish authorities were encouraged by these reports but worried by others which suggested that, although U.S. intervention in Cuba was not anticipated, there might be a repetition of the same operation which had failed. In particular, they were concerned by interpretations which had been published of a remark by Secretary Rusk when he specified that intervention *by U.S. forces* was not contemplated. There had been other disturbing reports which indicated that a further intervention was still a possibility.

3. In the circumstances, the Polish authorities wished to suggest that the Canadian Government consider this question with a view to making representations in Washington on the side of the liberal elements which were opposed to intervention. Mr. Sieradzki referred to his earlier request that the Canadian Government might bring its influence to bear in Washington, and said that in renewing this request the Polish authorities were pointing out that representations would be in support of a policy which, as he had indicated, was favoured by many influential persons in the U.S. Administration.

4. After a discussion of some of the U.S. opinions cited by the Chargé d'affaires on the prospects for Cuba, I mentioned the way in which the recent Cuban offer to negotiate with the Americans had been presented, suggesting that the embedding of it in violent anti-American language had made it harder for any American to consider it seriously. I also remarked on the interaction of world crises and suggested that progress in Laos, or at the nuclear tests conference might create conditions for an improvement over Cuba. Mr. Sieradzki agreed, but pointed out that this could work both ways.

5. As to any Canadian action, I told Mr. Sieradzki that it is, of course, necessary to be careful about the timing of representations in order to be sure that they will be as effective as possible. I mentioned that in the period immediately following the failure of the landings in Cuba, it would have been counter-productive to proffer advice to the Americans. In concluding the interview, I said I appreciated his calling and I thought an exchange of views on this subject of mutual interest was useful.

N.A. ROBERTSON

832.

DEA/11280-1-40

*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, May 9, 1961

CUBA: FOREIGN ASSETS CONTROL

In the attached telegram from Washington¹⁵ Mr. Heeney reports a conversation in which Mr. Ball, the Under-Secretary of State for Economic Affairs in the State Department, informed him that it was likely that Trading with the Enemy provisions would be applied to Cuba. Ball went on to say that Treasury officials held the view that it would seem unlikely that it would be possible to provide for a complete exemption from the application of FAC regulations to Canadian subsidiaries of United States firms. Our Ambassador protested strongly against the alternative proposal suggested by Mr. Ball and reminded the State Department of the assurances given earlier to Canadian Ministers.

2. After his meeting with Ball yesterday Mr. Heeney telephoned the Department this morning to say that he had been in touch again today with Ball who had said that as, if and when Foreign Assets Controls were applied to Cuba, there would be a simultaneous announcement to the effect that there would be a complete waiver for firms located in Canada who were subsidiary to or under the control of United States companies.¹⁶ This procedure would not involve an application for a blanket waiver as suggested yesterday by Ball and reported in paragraph 4 of the attached telegram.

3. The State Department have asked for an immediate reaction to their suggestion, and in view of the urgency of this matter I thought you might wish to raise it in Cabinet so that we would be in a position to instruct our Ambassador this morning as to the reply he should make.

¹⁵ Voir/See document 830.

¹⁶ Notes marginales :/Marginal notes:

This OK. R.B. B[ryce]

Mr. Stoner: Washington has been informed. Mr. Heeney tells me that the waiver is now expected to be part of the Presidential order and not in a separate announcement. A.E. R[itche]

4. It is our view in the Department that the procedure as now suggested by Ball amounts to a general exemption for Canadian firms and would seem to be consistent with the assurance given to Canadian Ministers earlier in Washington.

5. I am also attaching a brief memorandum† to remind you of the position which you took with respect to the possible application of FAC controls to oil companies in Canada in connection with the movement of Canadian grain to China.¹⁷

N.A. R[OBERTSON]

833.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], May 9, 1961

Present

The Prime Minister and Acting Secretary of State for External Affairs (Mr. Diefenbaker) in the Chair,
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Secretary of State (Mr. Dorion),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

CUBA; FOREIGN ASSETS CONTROL

24. *The Prime Minister* said that Mr. Ball, U.S. Under-Secretary of State, had informed the Canadian Ambassador in Washington that Trading with the Enemy provisions would probably be applied by the United States to Cuba. Mr. Ball had initially stated that a complete exemption from the application of Foreign Assets Control regulations could probably not be given to Canadian subsidiaries of U.S. firms. Mr. Heeney had protested against an alternative proposal suggested by Mr. Ball, and had reminded the State Department of the assurances given earlier to Canadian Ministers.

¹⁷ Voir le chapitre VIII, 3^e partie, section (a).
 See Chapter VIII, Part 3 (a).

Later Mr. Heeney had reported that Mr. Ball had later stated that if and when Foreign Assets Controls were applied to Cuba, there would be a simultaneous announcement that a complete waiver would be given for firms located in Canada which were subsidiary to or controlled by U.S. companies. This procedure would not involve an application by Canada for a blanket waiver. The State Department had asked for an immediate reaction to this suggestion.

25. *Mr. Diefenbaker* said that, during his meeting with President Kennedy in February of this year, he had made it clear that Canada would not assent to any arrangement that would involve the application of U.S. law in Canada. The subject had been discussed in some detail in relation to the bunkering of ships carrying grain to Communist China, and the substance of these discussions had previously been made known to the Cabinet. The following month the Canadian members of the Canada-U.S. Joint Ministerial Committee had reaffirmed Canada's position on foreign assets control. In actual fact, no difficulty had arisen in connection with the bunkering of the grain ships, and 35 ships had already sailed from Canadian ports to Communist China.

26. *The Cabinet* agreed that the Canadian Ambassador to the United States should be instructed to inform the U.S. State Department that the government of Canada was in agreement with their suggestion,

(a) that, if and when the United States should apply Foreign Assets Controls to Cuba, the U.S. would make a simultaneous announcement that a complete waiver would be extended to firms located in Canada which were subsidiary to or under the control of U.S. companies; and,

(b) that this procedure would not involve an application by Canada for a blanket waiver.

...

834.

DEA/2444-40

*L'ambassade au Cuba
au secrétaire d'État aux Affaires extérieures*

*Embassy in Cuba
to Secretary of State for External Affairs*

TELEGRAM 175

Havana, May 10, 1961

OPIMMEDIATE

Repeat for Information: Washington, London, Paris, NATO Paris, Oslo, Rio de Janeiro, Buenos Aires, Mexico from Ottawa.

CANADA IN CUBAN PRESS

All Havana newspapers today published front page *Prensa Latina* report datelined Oslo May 9 stating United States Secretary Rusk consulting Canadian Foreign Minister Green concerning latter position on Cuba. Rusk's intervention in NATO Council May 8 reported criticized by France, United Kingdom, Canada and others. Rusk said irritated by unexpected criticism from Green in Council.

2. Mr. Green reported to have stated Canadian Government "could not be in agreement" with United States allegation; that Prime Minister Castro "has converted his country into a Communist satellite" latter appreciation "is doubtful" Mr. Green reported basing his opinion on great support Cuban people for their government. Canadian Foreign Minister reported to have specifically censured United States attitude of not discussing its differences with Cuba on basis of equality mutual respect and open agenda.

3. Rusk reported to have asked Green for “explanation” of his attitude and to be pressing for it to be changed.

4. Newspapers also published numerous photographs of Fair Treatment for Cuba Committee demonstration in Toronto which was described as “an act of complete solidarity between friendly peoples.” Picture caption said “The people of Canada are also for the Cuban revolution.”

835.

DEA/2444-40

*Le chef de la délégation au Conseil de l'Atlantique nord
au secrétaire d'État aux Affaires extérieures
Head, Delegation to North Atlantic Council,
to Secretary of State for External Affairs*

TELEGRAM 528

Geneva, May 11, 1961

SECRET. OPIMMEDIATE.

Reference: Your Tel XL-49 May 9.†

Repeat for Information: Washington, NATO Paris, London (OpImmediate).

TALKS WITH RUSK – CUBA

My immediately following telegram contains verbatim text of what I said on Cuba in the Council meeting. Limitations on communication facilities in Oslo prevented my sending this earlier. My remarks on Cuba were made in the course of my speech under the item entitled General Review of the World Situation. Earlier Rusk had made it clear that USA would not repeat not intervene militarily with its own forces in Cuba but the Castro régime had to be “isolated politically, economically and to the extent feasible psychologically from the rest of the Western hemisphere.” He had added “because it is an active base of penetration we and other American governments may have to take joint security measures with respect to any activity in Cuba aimed at the other neighbours in the Caribbean.”

2. On the following day at his request Rusk and I met and had a general exchange of views on a number of subjects on which I am reporting separately. On the Cuban question he referred to the hope I had expressed the previous day that negotiations with Castro régime would not repeat not be completely ruled out. Rusk said that three specific initiatives had been taken by USA to enter into negotiations with Castro régime, twice in the Peace Commission of the OAS and once through other friendly Latin American states. In all three instances the initiatives had been rebuffed. He emphasized as he had in the Council that USA was not repeat not primarily concerned with the revolutionary activities of Castro régime nor with the seizure of American property. These were problems familiar in Latin America. What was unique in the Cuban situation was Sino-Soviet connection. Until that connection had been “liquidated” it was not repeat not possible for USA to negotiate with Castro. Rusk said that “Communist link is not repeat not negotiable.”

3. Rusk also emphasized that USA would not repeat not give up the Monroe doctrine. That doctrine was obviously not repeat not acceptable to Castro and USA was therefore “committed to his downfall.”

4. I recalled that at the Montebello meeting last summer, Canadian ministers had expressed their concern at the possibility suggested by their USA colleagues of military intervention. That concern remained. We were worried by the long range implications of direct USA intervention in Cuba which would have the most serious repercussions in Latin America and on world opinion. We therefore hoped that there might emerge some common ground on

which to base negotiations. Admittedly Canada being further removed might take a more objective view of the situation. It was our desire to be helpful if we could. I reminded Rusk that last autumn we had been invited to play a mediatory role in company with Mexico and Brazil in an effort to bring USA and Cuba together.¹⁸ While recognizing that penetration of Sino-Soviet bloc into the Western hemisphere was of common concern to Canada, USA and Latin American states I emphasized that drastic action by USA in our view might serve only to force the Castro régime deeper into the Communist camp and jeopardize the possibilities of common action on an inter-American basis.

5. Rusk conceded that by the time the new Administration assumed office the situation had already gone very far and thus to a large extent the decisions taken had been forced upon them by circumstances. They had to deal with the situation as it existed. Rusk warned that “though decisions” would confront the Administration in the following eventualities: (a) if there were any more armed forays from Cuba against neighbouring states (there had been four in 1959-60); (b) if there were an attack on Guantánamo; (c) if Communist bloc missile bases were established in Cuba.

6. Elaborating on point (c), Rusk said that it was one thing for USA to be exposed to the possibility of ICBM attacks from Soviet territory; it was quite another to be exposed to attack by short range missiles. Such a prospect was intolerable to USA. While USA did not repeat not fear Castro they could not repeat not permit Khrushchev to shield behind him. The Administration was finding it difficult to hold the line against public and congressional pressures for direct action.

7. In conclusion I stressed that USA Government had taken the right decision in not repeat not intervening in Cuba with USA troops; that unilateral action by USA would create an entirely new situation. I hoped that USA would move as much as possible in step with other Latin American states. I also queried just what Rusk meant by “the liquidation of Sino-Soviet connection.” Rusk defined this phrase as meaning the expulsion of some thousand Russian and Chinese technicians now in Cuba and the resumption by Cuba of its place in the Inter-American system. As to Latin American opinion, Rusk asserted that USA policy had the covert support of nearly all Latin American heads of government who are now firmly convinced that Castro should go. Because of local political pressures they were however in some cases unable to take a public position in support of USA.

8. Rusk solicited any assistance we could give in evacuating the remainder of USA citizens in Cuba. I said that we would see what we could do, explaining that our evacuation arrangements were coordinated with those of UK.

9. Rusk suggested and I agreed that we should keep in close touch on the Cuban situation.

10. In view of the implications of the important things Rusk had to say this message should be given limited circulation.¹⁹

[H.C.] GREEN

¹⁸ Voir/See Volume 27, documents 588-92, 594-98, 603, 607, 612.

¹⁹ Pour un compte rendu américain de la conversation entre Green et Rusk, voir *Foreign Relations of the United States, 1961-1963* (Washington: United States Government Printing Office, 1997), document 212. For an American record of Green's conversation with Rusk, see *Foreign Relations of the United States, 1961-1963* (Washington: United States Government Printing Office, 1997), document 212.

836.

DEA/2444-40

*Le chef de la délégation au Conseil de l'Atlantique nord
au secrétaire d'État aux Affaires extérieures*

*Head, Delegation to North Atlantic Council,
to Secretary of State for External Affairs*

TELEGRAM 529

Geneva, May 11, 1961

SECRET. OPIMMEDIATE.

Reference: My Tel 527 May 11.

Repeat for Information: Washington, NATO Paris, London (OpImmediate).

TALK WITH RUSK – CUBA

Following is verbatim record of my remarks on Cuba in the NATO Council May 8. Text Begins:

I was impressed with the expositions of USA views on Cuba as given by the Secretary of State of USA this morning. With much of what he said I am in agreement. Certainly Canada deplores many of the practices of Castro régime and in particular shares the concern of USA about the evidence of Castro's increasing orientation toward the Soviet bloc. As to the nature of the Castro régime, we recognize and deplore its dictatorial character. I am less certain that the use of the term "socialist" by Castro in his May day speech is conclusive proof of the complete adherence of Cuba to the Soviet bloc. After all, there would still appear to be a strong nationalist element in the revolutionary movement. It is certainly clear, as the Secretary of State recognized, that many of the social and economic changes introduced during the past year cannot, repeat not, and perhaps should not repeat not, be reversed. For the future, we see no repeat no practicable alternative but to allow adherence to the principle that Cuban people themselves should choose their own form of government. Outside interference may well do more harm than good. If there is to be international action it should at least carry the judgment of other Latin American countries. I was glad to note that the Secretary of State stressed the consultations that are now going on among the American States. Whatever the provocation may have been we recognize that it had been great. We would hope that the possibility of negotiation would not repeat not be ruled out. Even if the prospect of concrete results is light it would seem to us desirable to try to make the attempt, certainly for the sake of relations with Latin America and, just as important or perhaps more, for the sake of world opinion. Text Ends.

[H.C.] GREEN

837.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures
au chef de la délégation au Conseil de l'Atlantique nord*

*Secretary of State for External Affairs
to Head, Delegation to North Atlantic Council*

TELEGRAM V-307

Ottawa, May 12, 1961

CONFIDENTIAL. PRIORITY.

Repeat for Information: London, Washington, NATO Paris, Paris, Permis New York.

By Bag: Warsaw (from London).

POLISH REPRESENTATIONS

Following for Minister. On two occasions recently Polish Chargé d'Affaires expressed to the Department grave concern of Polish Government about "the aggression of anti-national forces against Cuba organized and supported by USA." He expressed Polish Government's hope that the Canadian Government would take measures "which could contribute to the checking of the intervention in Cuba and to the avoiding of the threat to peace and security which could follow from it." He specifically suggested that Canadian Government make representations in Washington on the side of the liberal elements in USA Administration which were opposed to intervention.

2. In view of Polish interest in Canadian attitude on Cuba, it occurs to us that you might wish to discuss this with Polish Foreign Minister and to point out that the Canadian Government's concern over events in Cuba was expressed by Prime Minister in the House April 19. At that time he indicated that you had discussed this matter with Adlai Stevenson. In Oslo you further elaborated Canadian views. While we do not have the text of your statement to the NATO Ministerial Council, press reports indicate that you deplored many practices of the Castro régime and its increasing orientation towards Soviet bloc but thought (1) that there should be adherence to the principle that the Cubans should choose their own form of government; (2) that outside interference would probably do more harm than good; (3) that while USA is under great provocation it should not rule out negotiation with Cuba. In a following telegram† we are providing text of an exchange in the House on May 9 concerning your statement in which the Prime Minister indicated that these reports are consistent with his own statement of April 19.

3. In discussing this question with Mr. Rapacki you would not, we assume, wish the impression created that our position is in any way the outcome of the Polish démarches here or that you consider USA is to blame for present Cuban situation. While Poles may be genuinely fearful of the wider international consequences of USA intervention in Cuba, their representations may also be designed to drive a wedge between USA and its allies.

4. We think this possible effect of their démarche might be minimized by reminding them that it is not only the USA which needs to be approached if world tensions are to be reduced. Your talks with Rapacki on Cuba might provide a useful opportunity for you to do so. This might be accomplished with reference to the Geneva nuclear weapons test negotiations which have shown no progress despite the significant concessions to the Soviet view made by the USA and U.K. In our view, the proposals contained in the comprehensive draft treaty submitted by USA and U.K. offer a basis for a fair and workable agreement, and it is therefore a cause of some concern to us that the Soviet side should respond by introducing new obstacles to the conclusion of an agreement. They have demanded that the concept of the single administrator of the inspection system which they had originally accepted should be replaced by a three-man directorate, and have contended that the system could not start operating until

the complete network of control posts has been fully organized (about four years after the conclusion of a treaty).

5. While we are not optimistic that representations to the Polish Government will have any effect on Soviet attitude in Geneva, we think the Poles should be made aware of the international issues about which we in our turn are particularly concerned. We have already indicated to Polish Chargé here our views on the interaction of world crises and have suggested that progress in other areas such as Laos and the nuclear weapons test talks might create conditions for an improvement in the Cuban situation.

6. If you decide to follow up Polish representations to us on Cuba, you might therefore indicate to Rapacki our deep concern that a failure of the Geneva negotiators to show some progress might seriously undermine the prospects not only for a discontinuance of nuclear weapons testing which we have consistently worked for, but for an easing of international tensions. We would hope that they in turn might be able in their discussion of this question with Soviet Union to bring pressure to bear to avoid protracted negotiations which could only result in enforcing the conviction which is growing that the USSR is not really interested in a successful conclusion of the nuclear weapons test negotiations at this time.

[N.A. ROBERTSON]

838.

DEA/2444-40

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

TELEGRAM 1551

Washington, May 13, 1961

SECRET. OPIMMEDIATE.

Reference: Our Tel 1532 May 12.†

Repeat for Information: Prime Minister Ottawa (OpImmediate), Geneva (for Minister) (OpImmediate) from Ottawa.

CANADA AND CUBA

Last evening I was asked as a matter of urgency (and, it was intimated to me, the request came from a high level) to go to the State Department and see the Acting Assistant Secretary for Latin American Affairs (Coerr). I of course complied and saw Coerr at 6:30 pm. The substance of the conversation which ensured I reported to the Under-Secretary by phone upon my return from the State Department.

2. Coerr immediately raised with me the Associated Press story from Geneva "Canada set to mediate Cuba dispute,"²⁰ the text of which was reported in our reference telegram. He first of all enquired whether I was in a position to verify or otherwise the accuracy of the report. I said I was not repeat not. He then went on to say that Washington had asked the Secretary of State to discuss the matter with the Minister in Geneva and intimated that USA authorities were surprised and concerned at what appeared to be a wide divergence from USA appreciation of the Cuban situation and how it should be dealt with.

²⁰ Voir/See Arthur Gavshon, "Canada Set to Mediate Cuba Dispute," *Washington Post*, May 12, 1961, p. A10.

3. I would be aware, Coerr went on, that, in USA view, there was no repeat no question of “mediation” between USA and Cuba. The problem had much wider implications as between the Western hemisphere and the Sino-Soviet bloc. Nor, in USA view, was there any question of “negotiation” between USA and Castro. In case there were any truth in the statements attributed to Mr. Green, the State Department wished to reemphasize these points with us at once.

4. There was no repeat no element of sharpness or even criticism in Coerr’s manner which throughout our interview remained entirely calm and courteous. Nevertheless there was no repeat no room for doubt that he reflected and intended to reflect concern on the part of high USA authorities as to the views attributed to the Minister in the Associated Press story.

5. In response I said that, while I was not repeat not in a position to deny or confirm the accuracy or otherwise of the AP report, I wished to draw the attention of the State Department in the connection to the clearly-stated views of the Canadian Government. I made reference in particular to the Prime Minister’s statement in the House of Commons on April 19 (at the time that the landings were known to have failed) and also to Mr. Green’s remarks on Cuba in the NATO Council on May 8 (Geneva telegram 529 May 11). I gave him copies of both of these statements and suggested to him that it was in these records rather than in newspaper stories that the Canadian position was to be sought.

6. Commenting personally on the AP story, I suggested that it might be quite misleading for USA to attach precise significance to the term “mediate” even if it had in fact been employed (and I did not repeat not know whether or not repeat not it had). From what was said by Mr. Green in the Council at Oslo and from our report of a private conversation which the Minister had had with the Secretary of State, it was my impression that the Canadian attitude was one of willingness to do what we could to assist toward a solution of a problem which we recognized as a complicated and serious one.

7. Finally I said that, while not repeat not attempting to dissemble the difference in the Canadian and USA points of view on Cuba (concerning which USA authorities should be in no repeat no doubt) I felt that it would be a mistake on their part to attach undue importance to remarks attributed to the Minister in this newspaper story. Nevertheless I would, of course, report our interview immediately to Ottawa and Mr. Green and Mr. Rusk would presumably be getting together very shortly in Geneva.

8. Incidentally the byline on the AP story as it appeared in the *Washington Post* and *Times Herald* of yesterday, May 12, was “Arthur Gavshon.”

[A.D.P.] HEENEY

839.

DEA/2444-40

Lettre du sous-secrétaire d'État aux Affaires extérieures
Letter from Under-Secretary of State for External Affairs

CONFIDENTIAL

[Ottawa], May 23, 1961

Repeat Information to: XL-110 Bogotá, XL-59 Ciudad Trujillo, XL-160 Rio de Janeiro, XL-65 Montevideo, XL-215 Egypt, XL-139 Buenos Aires, XL-66 Port-au-Prince, XL-93 Lima, XL-93 Quito, XL-154 Havana, XL-162 Mexico, XL-136 Caracas, XL-61 San José, XL-538 Washington

EASING OF TENSION BETWEEN THE UNITED STATES AND CUBA

You may wish to comment on the ideas put forward by the Canadian Ambassador in Chile in his Despatch No. 165 of May 16 (attached) concerning steps which might be taken to ease the tension between the United States and Cuba.

YVON BEAULNE
 for Under-Secretary of State
 for External Affairs

[PIÈCE JOINTE/ENCLOSURE]

L'ambassadeur au Chili
au secrétaire d'État aux Affaires extérieures

Ambassador in Chile
to Secretary of State for External Affairs

DESPATCH NO. 165

Santiago, May 16, 1961

CONFIDENTIAL

EASING OF TENSION BETWEEN THE USA AND
CUBA – TENTATIVE THOUGHTS

In his speech before the American Society of Newspaper Editors on April 20th, President Kennedy stated: "If the nations of this hemisphere should fail to meet their commitments against outside Communist penetration – then I want it clearly understood that this country will not hesitate in meeting its primary obligation which is the security of this nation." He qualified his remarks later by saying: "The American people are not complacent about iron-curtain tanks and planes less than 90 miles from our shores. But a nation of Cuba's size is less a threat to our survival than it is a base for subverting the survival of other free nations throughout the Americas. It is not primarily our interest or our security but theirs which is now in even greater peril. It is for their sake that we must show will."

2. Security considerations seem therefore to play some part at the moment in American thinking with regard to the Cuban problem. In seeking a way of easing tensions between the USA and Cuba it might be useful, at least initially, to try to formulate an approach aimed at mitigating this aspect of the apprehensions reflected in the USA attitude. The major advantages of this tactic as we see them is that (a) it offers relatively safe ground from which friends of the USA could launch a coherent and convincing attack against its present reluctance to consider even the possibility of negotiating the Cuban problem and (b) if negotiations were agreed to on this basis, an early confrontation on the more highly contentious and emotionally charged issues which stand between the two countries might be successfully avoided.

3. Such a formula would have to meet certain basic criteria:

For the USA: (1) eliminate any threat that Cuba will become a Soviet pawn in the cold war game of power chess either (a) as a Soviet military base directed against the USA (b) as an agent of direct military intervention in other Latin-American countries or (c) as a staging point for the transmission of Soviet arms to revolutionary elements in other Latin-American countries;

(2) provide for an iron-clad system of guarantee, their supervision and control, the breach of which would permit the application by the Inter-American community of sanctions or even direct military action which could not be interpreted as a violation of the principle of non-intervention.

For Cuba: (1) eradicate all fear of USA armed intervention either direct or in support of a counter-revolutionary movement in Cuba;

(2) offer some relief from the economic warfare launched by the USA (in the form, possibly, of a USA undertaking not to press other countries to apply economic sanctions).

For Latin America: be such as to command the unanimous support of the Inter-American system.

4. No doubt there would be more than one way to attain these objectives, but a possible approach to the problem might consist of the following:

(1) Both the USA and Cuban governments might be asked to give formal pledges to the nations of the hemisphere that they will not intervene directly or indirectly in the internal affairs of any American nation. The pledges would be delivered in a form and context to meet, in as specific terms as possible, USA criteria 1 (b) and (c) and Cuban criterion 1, mentioned above.

(2) In the light of the USA undertaking regarding non-intervention which should largely remove justification for a continuing build-up of military power in Cuba, the Cuban Government would be asked in return to halt its acquisition of armaments and submit to an arms ceiling based on present levels.

(3) In order to recoup their badly damaged prestige in Latin America, the USA should be encouraged to make, with a view to creating a great psychological impact in Latin America, a bold move regarding the Guantánamo base. We all know that any number of military expert opinions will be marshalled to prove that the base is absolutely essential to the fulfilment of USA strategic obligations. These expert opinions, however, will never appear too convincing in the face of the fact that the USA could easily have a base offering comparable advantages only a few hundred miles away on the Florida coast. If therefore, the Americans are genuinely interested in preventing a further military build-up in Cuba, their agreeing to enter into negotiations with Cuba over the future of the base, would seem to be a relatively small price to pay in order to induce the Cuban Government to neutralize itself as a military or para-military force in the hemisphere. It also seems evident that while at this stage Guantánamo is still negotiable, it may not remain so for a very long time. Castro might at any moment see fit to make impossible demands in this regard from which he will not be able to back away, thus rendering negotiations impossible.

One USA initiative might consist of offering to negotiate in two or three years time a new status for Guantánamo permitting far greater Cuban participation in the operations of the base along the lines of the arrangements made with Iceland with respect to the USA base in that country. Another might be an offer to withdraw from the base over a stated period of time and the conversion of its facilities (if this is in any way feasible) to serve a non-military purpose and which the Cubans would be allowed to acquire at an agreed cost.

(4) There would be established a Caribbean Arms Control Commission under the aegis of OAS, composed of the Caribbean Powers and whose Governments would also endorse the arms prohibition (the USA, Mexico, Central American States, Colombia, Venezuela, Cuba, Dominican Republic? Haiti?). The Commission would supervise the embargo on the acquisition of armaments and be competent to recommend collective action and intervention, if necessary, by the Caribbean Powers in case of violation by a signatory to the Agreement. The Commission would also be empowered by the Governments to make a study of the level of armed forces in the Caribbean area and make recommendations as to the level of the armaments necessary to maintain internal order and peace in the area.

5. I am aware of course that the various elements of the course advocated here constitute only a very partial answer to the real problem posed by Cuba which essentially is a conflict of ideologies in the Americas. The basic and legitimate worry of the USA Government is over possible communist ideological penetration, through Cuba, in the whole of the Latin-American area. From that point of view, the above suggestions have little direct value. They aim only at removing an immediate and physical danger; at obviating the use by the Soviet Union of Cuba as a military pawn; and at relieving tensions for a period long enough for the USA to reconsider the best means of containing the non-military aspects of the threat posed by Cuba. In the latter respect, it seems to me, after attending the current ECLA Conference, that the really serious danger does not lie in Cuba's ability to disseminate propaganda, or to provide moral and financial support to revolutionary elements in Latin America, but rather, it lies in the possibility that despite USA sanctions, and with the sole support of the Soviet bloc, the Cuban régime might be successful in raising the standard of living of the Cuban masses sufficiently far above the low standards prevailing in other Latin American countries so as to tip the delicately balanced scale in these countries in favour of their taking the Cuban road to economic and social development. Once this possibility is as fully appreciated in the United States as it would seem to be now in Latin America, it may then be possible for the USA to devote itself to an unemotional appraisal of the course to be followed both *vis-à-vis* Cuba and in the rest of Latin America during the crucial phase of the political, social and economic struggle lying ahead. In my despatch 127 of April 10, 1961,[†] I have already set out some views on more positive USA policy for Latin America. As for Cuba, once the USA fully examines and, as it must, rejects the possibility of either sweeping away the irritant through direct military intervention or of so completely isolating Cuba as to insulate the rest of South America from contamination by the example it might offer, it must come round to accepting the prospect of accommodation to the new Cuba, thereby making it possible to work constructively towards the neutralisation of its potential as a catalyst of an anti-American, anti-Western political movement of explosive force. This will not be easy – there is much pride to be swallowed, economic interest to be surrendered – but it must be tried in the best western interests.

PAUL TREMBLAY

840.

DEA/2444-40

*L'ambassadeur au Chili
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Chile
to Secretary of State for External Affairs*

TELEGRAM 35

Santiago, May 31, 1961

CONFIDENTIAL. OPIMMEDIATE.

Recently two senior officials of Ministry of Foreign Affairs in commenting on press report of Mr. Green's remarks in Geneva on Cuba, advised me that Chilean Ministry for Foreign Affairs may approach me for a private conversation to ascertain in more detail Canadian views on Cuba. The Minister for Foreign Affairs and Minister of Economic Affairs are scheduled to visit Brazil in two weeks' time and will undoubtedly discuss Cuban problem while there.

2. I have already made available to Ministry of Foreign Affairs the Prime Minister's and (Mr. Green's?) official statements on Cuba and told them that we may not repeat not be in a position to add very much to this information for same time. I was hoping in this way to put off any interview with Minister.

3. I would appreciate your guidance as to whether I should discourage proposed interview or whether you would consider it useful to expose our point of view on Cuba to Chile, if only to set record straight on reported Canadian [offer] to mediate. I think that there would be advantages in doing so. If you agree grateful to receive by next bag your instructions regarding points you would consider useful to convey to Minister.

[PAUL] TREMBLAY

841.

DEA/2444-40

*L'ambassadeur en Égypte
au secrétaire d'État aux Affaires extérieures*
*Ambassador in Egypt
to Secretary of State for External Affairs*

DESPATCH NO. 369

Cairo, June 6, 1961

CONFIDENTIAL

Reference: Your Letter XL-215 of May 23, 1961.

EASING OF TENSION BETWEEN THE UNITED STATES AND CUBA

Thank you for sending me a copy of Mr. Tremblay's despatch No. 165 of May 16 from Santiago making some very interesting suggestions about ways and means of easing tension between Cuba and the United States. My comments are based on my experience in Colombia, where a potential "Cuban solution" exists, and on following the course of developments from two neutralist capitals.

2. Mr. Tremblay starts from the premise that the Cuban revolution in its present Castro form is here to stay. I think it highly likely that the social revolution in one form or other will survive in Cuba, but I am not competent to judge how long the Castro régime in its present form will continue. Assuming that it will survive, then I think a revision of U.S. thinking is necessary in order to repair the damage to U.S. prestige in Latin America and the non-committed world by the abortive invasion. This policy has passed from an actively anti-Castro phase to what seems here to be largely negative. What is required is some indication of

positive thinking. The first signs that I saw of that were contained in the State Department White Paper of last March which accepted the fact, and the necessity, of social reform in Cuba. It was, unfortunately, largely counter-balanced by the rest of the Paper which contained recommendations for getting rid of Castro and, of course, by the invasion itself. But I think U.S. propaganda units ought to conduct a major campaign to try to convince world opinion, and particularly non-committed opinion, that the U.S. is not opposed to social and economic reform as such, or the right of any country to introduce such reforms

3. I would agree entirely with Mr. Tremblay concerning the ineffectiveness of the U.S. arguments with regard to security, at any rate as far as the non-committed world is concerned. Although the military will no doubt be able to make out a strong case for the need to hold on to Guantánamo, it surely relates to a period when the Panama Canal was of vital necessity to U.S. security, and when this depended primarily on sea power. In any event, whatever the threat posed to the U.S. by a hostile Cuba, this is surely only relevant in the context of a Soviet base or outright defensive pact, and this argument does not look particularly persuasive to the non-committed countries in view of the existence of U.S. bases in Turkey, and the military alliance with Iran. Therefore basing U.S. policy towards Cuba on U.S. security interests seems to me not entirely valid for the U.S. and completely ineffective insofar as the non-committed countries are concerned.

4. In this context I should report a conversation I had just before leaving Belgrade with Assistant Under-Secretary of State Djerdja who said that the relations of Nehru with Tito and Nasser had been rather strained since July of last year, but Nehru had begun to enter wholeheartedly into the spirit of the non-committed group again as a result of the abortive invasion of Cuba. I am sorry I did not have an opportunity to report this earlier, but it does seem to me to point up the importance of a persuasive and effective new U.S. policy towards Cuba if the U.S. is to make headway with the non-committed countries.

5. However, the security of the U.S. is threatened in a much more subtle way than the military threat. I will not attempt to comment here on the danger of Cuba sparking other left-wing anti-American revolutions in Latin America. But Cuba, as either an overt Soviet instrument, or as the tool by which more and more Latin American countries were persuaded in the direction of neutrality, is a far greater danger to the U.S. Apart from the active role to be played by Cuban propagandists, the principal factor as far as non-committed countries are concerned is the picture now implanted in their minds of U.S. aggressive imperialism towards a small neighbouring country. I think it pretty important to try to eradicate this picture.

6. There is also little doubt that the non-committed countries are going to wage a major campaign to wean Latin America away from U.S. dominance and into their "bloc". And U.S.-Cuban relations will certainly play a prominent role in this. If they can be developed satisfactorily, the non-committed will exercise less attraction on the Latin Americans. If the picture of U.S. "imperialism" remains uncorrected, then there will be a strong tendency in Latin America to react against U.S. influence by gravitating towards neutralism.

7. The best way to do this, it seems to me, lies in a clear-cut stand by the U.S. about the social and economic aims of the Cuban revolution and non-interference in the affairs of other hemisphere countries. This would require, I suppose, in addition, a polishing up of U.S.-Cuban relations, if it were to be effective. Probably Mr. Tremblay's suggestion of a deal over the Guantánamo base offers the best hope for progress. My only reservation is that the emotional atmosphere on each side is so over-charged it would be difficult to start negotiations. And it would be pretty difficult to us to propose such a deal to the United States Government.

R.A.D. FORD

842.

DEA/2444-40

L'ambassade au Cuba
au sous-secrétaire d'État aux Affaires extérieures
Embassy in Cuba
to Under-Secretary of State for External Affairs

LETTER NO. L-382

Havana, June 8, 1961

CONFIDENTIAL

Reference: Your letter No. XL-154 of May 23, 1961.

EASING OF TENSION BETWEEN
THE UNITED STATES AND CUBA

Despatch No. 165 of May 16, 1961, from our Ambassador in Chile outlined some interesting ideas which should serve to stimulate thinking on this subject. A realistic search for some factor that can be isolated and negotiated is probably the most promising means of moving toward an easing of tension between the United States and Cuba. The security considerations suggested by Mr. Tremblay are one of the fundamental sources of tension and any possibility of progress is worthy of careful exploration.

2. Unfortunately, the formula suggested would not appear to be acceptable at the present time to either the United States or Cuba, for the following reasons:

(a) In recent months Cuban-United States relations have been characterized by increasing prevarication, and their pledges of non-intervention would have little meaning. For example, if an anti-Castro uprising of any consequence occurred in Cuba, the United States would almost certainly assist the rebellion at least to the extent of supplying arms and encouragement. Indeed, this is the declared policy of the Kennedy administration.

(b) Cuba would reject any compromise of its sovereignty in the form of an arms supervisory and control commission. The Cuban response might well be a demand for reciprocal supervision and control arrangements in the United States. Moreover, the Cuban Government is much too militant and nationalistic to agree to any freeze of its armaments at the present level, leaving Cuba without adequate air or naval forces to resist invasion while the United States was under no such restriction.

(c) In the current atmosphere concessions on the Guantánamo base rights might not improve United States prestige in Latin America or appease the Castro régime for any length of time. In the United States, Latin America, and in Cuba itself, Guantánamo is practically the last symbol of the American presence in Cuba, and any offer to negotiate a change in its status might well be regarded as a loss rather than a gain in prestige for the United States. Cuba has not insisted upon surrender of the base, probably because it fears that agitation on this issue could be used by the United States as an excuse for direct military intervention; but any evidence of a United States disposition to discuss the future of Guantánamo would probably be seized as a reason for demanding its immediate surrender.

3. These reflections of the bitter animosity between the two nations do not detract from the intrinsic merit of Mr. Tremblay's suggestions. Unfortunately, the conciliatory attitude which is so essential to taking tentative soundings on such questions is lacking at present on both sides. Cuba is insisting that it is prepared to negotiate bilaterally with the United States on the basis of an open agenda and absolute equality of sovereign status, it being clearly understood that the political orientation of the Cuban Government is not subject to negotiation. The United States says it is not willing to negotiate with communism in the Western Hemisphere, and claims that the Cuban problem concerns the whole hemisphere and should be discussed in a

Latin American forum. In these circumstances, there is very little room for manoeuvre, and a period of tranquilization will be necessary before there is any real prospect of progress.

4. Meanwhile, it may be useful to explore other avenues of approach toward an eventual reconciliation. For example, the renewal of commercial relations even on a relatively small and strictly-defined scale might serve as a first step. Cuba would welcome any initiative that would enable it to acquire urgently-needed non-strategic commodities in the United States, and in the latter country there are commercial interests that would undoubtedly like to regain an opening in the Cuban market. Possibly some mutually satisfactory agreement could be negotiated through the auspices of an OAS or a Latin American conference on trade with Cuba. However, this approach would encounter obstacles and objections similar to those envisaged for Mr. Tremblay's tentative suggestions. The United States seems unlikely to accept any arrangements which would assist Cuba to obtain its objective of improving living standards and thus setting an example to other Latin American countries of the advantages of a proletarian dictatorship.

5. In the final analysis we wonder whether the Castro régime, which thrives on hate and anti-Americanism, could afford the luxury of an accommodation of any kind with the United States. We wonder whether the United States could accommodate a government which is such an affront to United States interests and influence. And we wonder whether Canada will not have to learn to live with acute tension in the Caribbean.

843.

DEA/2444-40

*L'ambassadeur au Pérou
au secrétaire d'État aux Affaires extérieures*

*Ambassador in Peru
to Secretary of State for External Affairs*

DESPATCH NO. 155

Lima, June 9, 1961

CONFIDENTIAL

Reference: Your XL-90 of May 23.

EASING OF TENSION BETWEEN
THE UNITED STATES AND CUBA

In your letter under reference you invited comments on a despatch by our colleague in Santiago (No. 165 of May 16) setting forth an interesting approach to the problem of easing tension between the United States and Cuba. In such a matter I yield to his wisdom and judgment; it is also obvious that he has drawn upon his long experience with N.A.T.O.

2. Mr. Tremblay writes on the assumption that it is appropriate and possible for Canada to consider acting as some kind of mediator in the very tense situation that has arisen between these two neighbours. We have had rather confusing newspaper accounts as to whether Canada has made any tentative attempt in this direction and it would be helpful to know from the Department whether indeed any move has ever been made or contemplated.

3. In such matters timing is very important and my first reaction is that we should let a considerable period pass after the disastrous fiasco of the United States-backed attempt at invasion, to let the dust settle both in Washington and in Havana and to permit in particular the United States Administration to pick up the pieces, as has been said, and learn what lessons it can from its unsuccessful indirect intervention. For these purposes the passing of time might be helpful but this assumes that time also runs in our favour in the evolution of the régime in Cuba. Such is probably not the case. I am in no position to give a sound assessment as to the

present character and direction of the Castro Government. If one were to believe a lot of the anti-Cuban propaganda appearing in the United States and here in Peru we must already regard Cuba as a Soviet satellite, at least in the political sense. I do not believe it can be regarded as a military satellite or an actual Soviet military base and probably will not become such unless an actual Soviet submarine or missile base were to be established somewhere in Cuba. Geography alone separates Cuba by a long distance from the Red Army. It presumably therefore cannot become a satellite like Roumania although it might conceivably become a satellite like Albania has been, that is somewhat isolated from the Soviet land mass. Time of course will run against the easing of tension, a settlement or an accommodation if the provision of Soviet and Czech arms, technicians and advisers increases. Presumably, however, the urge to build up the military defence of Cuba in turn depends on the régime's calculation of the prospect of direct military intervention by the United States. These matters call for the appreciation of intelligence material on Cuba which is not available to me.

4. It is of course easier to point out difficulties in Mr. Tremblay's approach than to suggest positive and constructive alternatives. I have the feeling that the difficulties from the United States side would at this stage be quite overwhelming. Because of the history of the United States relations with Latin America over nearly a century and a half, dating at least from the formulation of the Monroe Doctrine in 1823, there seems to be a deep-rooted instinctive feeling of the right of leadership if not hegemony by Washington in inter-American affairs. I suggested in my Despatch No. 144 of May 25[†] that this was a complicating factor in regard to possible Canadian membership in OAS. I think it is also a complicating factor in any idea that some friend of the United States such as Canada could mediate in this quarrel with Cuba. I do not believe that the United States Administration or American public opinion is anywhere near ready to tolerate the continued existence of a neutralist state in the western hemisphere. Since the passing of John Foster Dulles neutralism has acquired a new respectability in the eyes of the State Department but there are of course degrees and kinds of neutralism. Neutrals which are considered to be on the side of the United States, such as Sweden, Switzerland and Austria can be accepted, partly because they are fairly far from the shores of the United States. Other neutrals which are considered to be more inclined to the Soviet camp are less acceptable, particularly if they are not a good distance away from this part of the world. A kind of neutralism seems to be emerging in Brazil but this can perhaps be accepted because it is a fairly large self-contained country and is not on the doorstep of the United States. In any event this would be a non-Communist and probably pro-Western neutralism whereas in Cuba perhaps the most we can hope for is a pro-Communist neutralism. For reasons of security, history and geography it would probably be too much to ask the United States to negotiate with a neutral pro-Communist state at such close quarters, especially since it might move ever nearer to the Soviet camp. Possibly after the passage of much time Washington could reconcile itself to a kind of cold co-existence with such a régime in the western hemisphere. If the Soviet Union can accept West Berlin and Communist China can at least temporarily tolerate Formosa, then it could be argued why Washington cannot learn to live with something comparable, ugly and unpalatable as it may be, in the neighbouring island of Cuba. If Castro is "just another Nasser" then perhaps the United States can learn to live with him, as the United Kingdom has learned to live with Nasser; and here again there may be a role for Canada to play.

5. Mr. Tremblay in his formula suggests that both the United States and Cuban Governments would be asked to make formal pledges of non-intervention. At least he wants them tied in firmly with the criteria which he sets forth and it might be that in this context they would have some significance. Otherwise they would be only an addition to the long list of inter-American resolutions and declarations on non-intervention. It would, I think, be hard to find in international instruments anywhere a more forthright denunciation of intervention than that

already formulated in Articles 15 and 16 of the Treaty of Bogotá,²¹ which should be binding between all members of the OAS.

6. As one element in his approach Mr. Tremblay suggests machinery for the control and limitation of armaments in the Caribbean area. This is rational and logical. On other occasions he and our colleague in Brazil have advanced ideas for the control and limitation of armaments in Latin America and they have been attracted to the idea of an inter-American defence force. (Santiago Despatch No. 353 of November 11, 1960 and Rio telegram No. 68 of May 3.)† This is a typical, common sense Canadian approach. However, it comes up against an illogical situation. The armed forces in nearly all Latin American countries constitute a traditional military establishment that largely exists for its own sake, regardless of the requirements of internal defence, defence against neighbours or contribution to the security of the continent or the free world. This establishment, at least at the officer level, is a social class or caste, often somewhat hereditary, that will be instinctively hostile to any suggestions that practical tests of necessity and usefulness should be applied to it.

7. Mr. Tremblay makes some very interesting suggestions regarding a long-term settlement of the Guantánamo base. Although he undoubtedly does not have this in mind, what he is suggesting might well be regarded by many in the United States as comparable to surrendering the allied position in Berlin or yielding the offshore Islands of Quemoy and Matsu, advance outposts of the free world. The British have become accustomed to surrendering colonial positions, the Americans have not.

8. I think we would all agree that it would be desirable if the tension between the United States and Cuba could be effectively dealt with through the OAS. This would mean, at least in form, that a bilateral dispute was being settled through the machinery of a regional organization which in turn conforms with the United Nations Charter. However, this seems the least realistic and possible approach. Everybody seemed to be happy to avoid the holding of the OAS plenary conference in Quito, and there is no sign of general agreement that there should be an urgent convening of “a meeting of consultation” between the foreign ministers of the American states, though this is what the Treaty of Bogotá of 1948 and the anti-communist Caracas resolution of 1954²² appear to call for, with a view to collective action. In this regard the evidence seems to show that OAS represents much less of a “community” or “system” than N.A.T.O. itself. Indeed there is a wide diversity of opinion among the governments of the Latin American countries on the Cuban question. A few such as Peru seem to be completely and almost unquestionably with the United States while others such as Mexico, Bolivia, Ecuador and Brazil appear to be very independent indeed, if not inclined to sympathize profoundly with the struggles and efforts of the Castro régime to build a new and better (or at least different) Cuba. Therefore, the idea of looking for a formula that would have “the unanimous support” of the inter-American system would seem to be a futile search. The best that could be hoped for would be something that would receive some measure of support, active or passive, from at least some of the more important of the countries in Latin America.

²¹ Le Traité américain de règlement pacifique. Voir *International Organization*, Vol. 3, No. 1 (February 1949), pp. 212-25.

The American Treaty of Pacific Settlement. See *International Organization*, Vol. 3, No. 1 (February 1949), pp. 212-25.

²² Voir/See Barry Sklar and Virginia M. Hagen, eds., *Inter-American Relations: Collection of Documents, Legislation, Descriptions of Inter-American Organizations, and Other Material Pertaining to Inter-American Affairs* (Washington: United States Government Printing Office, 1972), pp. 153-54.

9. I must confess that these rather random thoughts do not add up to a constructive proposal in any sense. I admit that I am pessimistic about the prospects of any worthwhile approach emerging through the OAS or of OAS machinery being helpful. I am also doubtful whether at this stage the United States would be at all receptive to even one of her good and candid friends attempting to mediate in this situation.

A.J. PICK

844.

DEA/2444-40

*Le secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Chili*

*Secretary of State for External Affairs
to Ambassador in Chile*

TELEGRAM XL-72

Ottawa, June 13, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Telegram No. 35 of May 31, 1961.

INTERVIEW WITH CHILEAN FOREIGN MINISTER

We agree that there may be some advantage in having an interview with the Chilean Foreign Minister to clarify Canada's "mediation offer." We have nothing to add to the official statements of Canada's policy towards Cuba. We suggest that they be taken as the basis for any exposition of Canadian policy.

Regarding Canada's "mediation offer," the following points might be made:

(1) Certain informal comments by the Minister concerning a possible future amelioration in United States-Cuban relations were given unexpected publicity. It appears that reference to the consideration given by Mexico, Brazil and Canada last July and August to possible mediation soundings was wrongly interpreted as a revival of that possibility;

(2) No approaches have in fact been made by Canada to Brazil and Mexico recently concerning a joint mediation effort nor have Brazil and Mexico undertaken any new approaches;

(3) The declared attitudes of the United States and of Cuba make it unlikely that any new attempts of mediation will be made at least in the near future. The Canadian Government has in the past been favourably inclined towards hemispheric projects of conciliation such as the draft resolution sponsored at the United Nations by seven members of the Organization of American States. It might be suggested that the Canadian Government would not be likely to support moves toward conciliation unless they were supported by leading Latin American States and proved acceptable to both the United States and Cuba.

845.

DEA/2444-40

*L'ambassadeur au Chili
au secrétaire d'État aux Affaires extérieures
Ambassador in Chile
to Secretary of State for External Affairs*

TELEGRAM 41

Santiago, June 19, 1961

CONFIDENTIAL. OPIMMEDIATE.

Reference: Your Tel XL-72 Jun 13.

INTERVIEW WITH CHILEAN MINISTER OF FOREIGN AFFAIRS

I was hoping you would be able to authorize me to convey to Chilean Minister of Foreign Affairs substance of Mr. Green's remarks in Oslo (your circular document A6/61† second paragraph section on Cuba) without however identifying Minister's remarks with NATO meeting.

2. As Ministry is already aware of our position as defined in public official statement I now believe it will suffice to clarify reported mediation offer only repeat only with Political Director of Minister of Foreign Affairs and I propose to discourage interview with Minister of Foreign Affairs.

[PAUL] TREMBLAY

846.

DEA/2444-40

*Le sous-secrétaire d'État aux Affaires extérieures
à l'ambassadeur au Brésil
Under-Secretary of State for External Affairs
to Ambassador in Brazil*

LETTER NO. XL-199

Ottawa, July 7, 1961

SECRET

Reference: Your Numbered Letter No. 277

CANADIAN GOOD OFFICES IN CUBA

The following notes on the "Canadian Good Offices in Cuba" may be useful to you.

2. In July and August of last year an attempt was made, on the initiative of President López Mateos, to find out whether Mexico, Brazil and Canada might be able to undertake some form of useful mediation between the United States and Cuba. The discussions between Mexico, Brazil and Canada were carried on in an exchange of letters between President Kubitschek, President Mateos and the Prime Minister. It was agreed after consultation that tentative approaches should be made to the Cuban and United States governments in order to test their receptivity to the project. Their reactions were sufficiently reserved to discourage any further action at that time.

3. The entire negotiation was naturally given restricted circulation and kept on a secret basis. It is probably still desirable to give it as little publicity as possible. The only public statement regarding these negotiations was made following a press leak at the San Jose Conference. In his State of the Union Address to the Mexican Congress on September 1st, 1960, President López Mateos said:

“I consider it a duty to inform you that, together with other countries to which I am pleased to render full homage, Mexico undertook negotiations to mediate in the current conflict between the governments of Cuba and the United States of America. Preliminary approaches, I am sorry to say, did not produce the desired effects. In spite of this, Mexico will continue to do everything possible to promote the cause of friendship and harmony among American republics.”

4. Recent press reports from Oslo that mentioned a Canadian “mediation offer” in conjunction with Brazil and Mexico were speculative and inaccurate. It appears that certain informal comments by the Minister concerning a possible future amelioration in United States-Cuban relations were given unexpected publicity. A reference to the consideration given by Mexico, Brazil and Canada last July and August to possible mediation soundings was wrongly interpreted as a revival of that project.

5. No approaches have in fact been made by Canada to Brazil and Mexico recently concerning a joint mediation effort, nor have Brazil and Mexico undertaken any new approaches.

6. The declared attitudes of the United States and of Cuba make it unlikely that any new attempts at mediation will be made in the near future. The Canadian Government has in the past been favourably inclined towards hemispheric projects of conciliation such as the draft resolution sponsored at the United Nations by seven members of the Organization of American States. It is unlikely that the Canadian Government would support any new moves toward conciliation unless they were supported by leading Latin American states and proved acceptable to both the United States and Cuba.

YVON BEAULNE
for Under-Secretary of State
for External Affairs

847.

DEA/513-40

*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 16, 1961

CONVERSATION WITH CHILEAN UNDER-SECRETARY
OF STATE FOR EXTERNAL AFFAIRS

The Chilean Under-Secretary of State for External Affairs, Sr. Fernando Donoso, paid me a courtesy call this afternoon. He had spent the week-end with the Chilean Ambassador, Sr. Rodriguez, and will be leaving this evening for New York. I spoke to him of your offer to take him down to the General Assembly on Wednesday evening. Sr. Donoso expressed appreciation for this kindness, but explained that he had an important meeting to attend tomorrow and found it impossible to change his plans.

2. In the course of conversation, Sr. Donoso discussed recent developments in the relations between Cuba and Latin American States. He favoured the cautious attitude taken by the Argentine authorities towards the alleged subversive activities of Cuban diplomats in various Latin American countries. He understood that a Commission of Enquiry had been established in Buenos Aires to verify the authenticity of the documents recently submitted by Cuban exiles and porporting to show that the Cuban Mission in Argentina was promoting the overthrow of

the government. Apparently no conclusive evidence has yet been presented to substantiate this charge.

3. Sr. Donoso recalled that the former Cuban Ambassador in Santiago had been financing extreme left groups in Chile. His indiscretions had finally compelled the Chilean authorities to suggest to him that he should leave the country. However, he had not been declared *persona non grata* and diplomatic relations were maintained. Argémet had been requested by the Cuban Government for Mr. Stolik, (the Cuban Foreign Minister's young protégé who left Ottawa last December to become Chargé d'Affaires in London) but had been refused, and no other name had been submitted yet.

4. Sr. Donoso thought that the best way to deal with Castro was to leave him alone. He was facing serious economic trouble and the Soviet Union could not be expected to go on supporting him. Eastern European technicians and advisers found it increasingly difficult to co-operate with the excitable Cubans. The Soviet Union was able to dominate neighbouring countries, but it was the first time it had tried to extend its rule to a distant tropical island, and it is doubtful that Cuba could fit into the disciplined Communist bloc. Sr. Donoso said that Chile remained opposed to any attempt at collective action on the part of the Organization of American States. He felt that this opinion was shared by all Latin American States, with the exception of the 7 republics which had already broken off relations with Cuba.

5. Contrasting the performance of the Cuban Foreign Minister, Raul Roa, at the General Assembly with that of Ché Guevara at the Punta del Este Conference, he ascribed the difference in approach to differences in temperament.²³ Roa was an emotional "tropical" and, as a former opponent of Communism, was probably impelled to overstate his case in the manner of recent converts. Guevara, on the other hand, was a cold-blooded Argentine, clever and dangerous. Moreover, it suited Soviet interests to have Cuba remain within the Latin American family, and Guevara had simply been carrying out instructions by adopting a conciliatory attitude in Uruguay.

6. Sr. Donoso said that he was happy to co-operate in the United Nations with Mr. Tremblay, whom he praised as an excellent ambassador to Chile.

N.A. R[OBERTSON]

848.

DEA/4470-40

L'ambassadeur au Cuba
au secrétaire d'État aux Affaires extérieures
Ambassador in Cuba
to Secretary of State for External Affairs

DESPATCH NO. D-574
CONFIDENTIAL

Havana, November 1, 1961

THE SOVIET ORIENTATION OF CUBAN FOREIGN POLICY

During 1961 Cuba's foreign policy has become more and more aligned with that of the Soviet bloc to the point where, in effect if not in reality, Cuba has assumed the status of a Russian satellite in the international arena. In attempting to account for this development and

²³ Voir/See *Foreign Relations of the United States, 1961-1963* (Washington: United States Government Printing Office, 1997), documents 257, 258.

to analyse the factors motivating Cuban foreign policy today, one must initially go back to the origins of the Castro Revolution.

2. To no small degree foreign policy is an expression of the history of a country, and Cuba is no exception to this general rule. Many of the circumstances that helped to bring Castro to power also helped to launch the Revolution on an antipathetic course vis-à-vis the United States. There was an element of United States involvement in the chronic poverty of a large part of the population under the old economic system, with its dependence on a single crop grown in the main by absentee landlords, and with the dominant position occupied by American-controlled companies. The corruption and the brutality of the Batista dictatorship were not hard to associate with the United States in view of the relatively cordial relations prevailing between the two countries during that period. And perhaps pervading all this was the feeling in the minds of many of the revolutionaries that despite the release from Spanish rule in 1898 one form of colonialism had merely been exchanged for another. In the case of Castro and some of his followers, this feeling was further buttressed by a degree of latent anti-Americanism which was brought to the surface by what was regarded as United States failure to lend the young revolutionary régime any kind of positive support in its early days.

3. A basic principle underlying the foreign policy of most nations is the safeguarding and promotion of the national interest. Under Castro the nurture and preservation of the Revolution has been synonymous with the national interest. Radical political, social and economic changes have been brought into being at a very rapid rate which have completely transformed Cuban society, destroying the old way of life and creating a new power elite. In the process American interests have been severely damaged, primarily through such measures as the Agrarian Reform and the expropriation of American-owned companies. As a consequence of Castro's impatience to press ahead with his reforms and his sensitivity to any form of criticism, coupled with the adverse reaction of the injured party, abetted by the press penchant to denigrate and pass hasty judgment, there has been a steady deterioration in relations which has made the possibility of any understanding between the two countries extremely difficult. Furthermore, the régime has found it expedient to have at hand a foreign enemy to pillory for the hardships and dislocations that tend to accompany revolutionary changes.

4. The Cuban view of the United States as a potential threat to the survival of the Revolution has been intensified because of the American predominance in the affairs of the hemisphere. Moreover, the rather cautious and indecisive policy followed by the State Department during the first two years of Castro's rule did not seem to improve the situation. In the minds of the revolutionaries, and particularly the more extreme elements who could play on this theme, if the United States was not for the Revolution, ergo it was against it. Added to this there was at times an attitude of sour unreasonableness which one moment accused the United States of economic colonialism for the limitations of the sugar quota system and the next moment charged economic aggression when the quota was cut in 1960.

5. In the circumstances the door was opened for Soviet overtures which the Russians were not slow to follow up. Contacts established through such visits as that of Mikoyan to Cuba in early 1960 were succeeded later in the year by the establishment of diplomatic relations between Cuba and most of the states of Eastern Europe. Nor was this a wholly one-sided operation, for the Cubans were by that time anxious to put out the welcome mat themselves, having almost reached the breaking point in their relations with the United States. They badly needed outside political support for their Revolution, as well as food and manufactured goods for the country's expanding socialist programme in view of the disruption in the normal sources of supply resulting from the U.S. embargo. In due course a whole series of agreements were concluded on trade, military supplies, economic assistance, and technical and cultural exchanges. Of especial significance was the Soviet bloc willingness to take up the cancelled

portions of the U.S. sugar quota for 1960 and by subsequent agreements to provide a market for between 60%-75% of Cuban sugar production (the latest concluded during Dorticós' recent trip behind the Curtain). This shift in the orientation of Cuban foreign policy was also facilitated by the resurgent Communist party, which had capitalized on the Castro victory and employed its influence to convince the more radical Fidelistas that the only way to attain the Revolution's objectives was through Communist aid.

6. Following these developments, Cuban policy at first seemed to pursue a middle course in world affairs. It was a neutralist policy albeit with a distinct slant towards the Communist bloc. However, with the increasing dependence on Soviet political support and the vital need for economic aid, paralleled by a growing degree of communication in the domestic field, the Cubans apparently decided to move further out into left field. This trend has been most marked during the present year and appears to have been accelerated by the April misadventure. The Soviet line in foreign affairs has been almost completely endorsed and little attempt is made today to maintain a neutralist position, as was evidenced by the Cuban attitude in the recent Belgrade Conference.²⁴

7. Much of the current Soviet orientation of Cuban foreign policy can be viewed as the price this country pays for Communist bloc support in its international relations and for the economic assistance it receives and is reportedly seeking to augment Soviet support is also valuable as a counter-weight to the ever-present danger, as the Cubans see it, of some new United States move directed against their country. The hidden costs of publicly confirming the identity of Soviet and Cuban positions on a whole array of Communist items from peaceful coexistence to the liquidation of colonialism may well be to deepen suspicions of the Cuban danger in Latin America. However, the Cubans may estimate that many of these issues are not of sufficient concern to their neighbours to change the general alignment of states in the OAS in supporting any move against the Caribbean republic. Moreover, they should be able to find some relatively unimportant issue at the United Nations on which for propaganda purposes they can modify the imbalance in their pro-Soviet line.

8. The Cubans also appear to be well aware on which side their bread is buttered in the matter of Sino-Soviet relations. While Cuba has not become an active participant in the differences between the two Communist powers, it has not hesitated to indicate that its first loyalty is to the Soviet Union. This can be observed in the prominence given to Soviet affairs in the Cuban press and indeed in recent months the Chinese have tended to recede into the background here. More noticeably, at the XXII Communist Congress in Moscow Blas Roca, as leader of the Cuban Delegation, was among the first to support the Soviet denunciation of Albania. The Cuban press has also refrained from reporting Chou En-Lai's statements. Essentially the Cubans recognize that their principal aid comes from the Soviet Union and some of the Eastern European states like Czechoslovakia, rather than from China.

9. In one instance the Cubans seem to have displayed unnecessary zeal in espousing the Russian position. When discussing the issue of nuclear tests on a television interview last month, Dr. Raúl Roa gave a completely one-sided version of the situation, barely referring to the Russian resumption of tests and accusing the United States of having planned to conduct tests while still discussing disarmament. The press has also criticized the Western "clamour" on this question as "hypocrisy," citing the French tests in the Sahara and the United States tests

²⁴ La première rencontre du Mouvement des pays non-alignés, du 2 au 6 septembre. Voir D.C. Watt, John Major, Richard Gott, and George Schöpflin, eds., *Documents on International Affairs, 1961* (London: Royal Institute of International Affairs/Oxford University Press, 1965), pp. 604-636. The first meeting of the Non Aligned Movement, September 2-6. See D.C. Watt, John Major, Richard Gott, and George Schöpflin, eds., *Documents on International Affairs, 1961* (London: Royal Institute of International Affairs/Oxford University Press, 1965), pp. 604-636.

in the Pacific after the Russians had unilaterally given up testing. Then the lone Cuban support for the Soviet bloc position at the United Nations in opposition to the overwhelming appeal to the Russians not to explode their 50-megaton bomb has further underscored their unrelenting support of Soviet policies. In fact the press today, after announcing the explosion of the bomb a few days ago, has hailed it as a "guarantee of peace." The possible cost to Cuba in the inter-American system is suggested by the report that Uruguay is calling for an OAS meeting to protest the Russian explosion.

10. That this ardent pro-Soviet policy may also be having its effect in the neutralist world was tacitly admitted by Dr. Roa in his television interview. At one point he referred to a "fierce dialectic wrangle" which he had with Krishna Menon at Belgrade over the need to press the campaign against United States imperialism. Roa referred sarcastically to the Indian's inability to appreciate the significance of this as the major issue confronting the world today, and accused him of only being concerned about past European imperialism.

11. A further explanation for the pro-Soviet line currently being followed by Cuba is probably a desire to be a member of one of the world's leading clubs. As a voluntary Russian satellite Cuba is able to make its voice heard more in international forums than if it were just a small Latin American country or an economic appendage of the United States. In this regard, too, the Cuban ego should not be discounted. We have previously referred to Roa's propensity for liking to think of Cuba as one of the major crisis areas of the world. And, as the joint Cuban-Soviet communiqué in September declared, undoubtedly to the Cubans' pleasure, "the Soviet leaders noted with great satisfaction the increased international authority of the Republic of Cuba, and its considerable contributions to the solution of important international questions." Again, at the XXII Moscow Congress Cuban spokesmen have also given the impression of wishing very much to be accepted as full members of the socialist club rather than as associate members, which some of Khrushchev's statements would suggest was their real status. The Cubans continually refer to themselves as a socialist country, even though in Russian eyes it would appear that they are still in the "national democracy" rather than in the "people's democracy" phase.

12. There is also a strong emotional strain in Cuban foreign policy. The Cubans seem to be fond of controversial statements. They often act before they think, and stand ready to return two knocks for every knock received, as witnessed in the current dispute with Venezuela. No doubt they feel that as a member of the Soviet club they can act with greater impunity than would be the case if they were on their own.

13. In one sense the Cubans may be pressing the Soviet Union too hard. From the Russian standpoint Cuba would lose some of its value if its neutralist or Latin American credentials were revoked. However, it may be that the Cubans are attempting to get something more concrete from the Russians. There is some reason to believe that Cuba would like to be sure of Russian support in the event of a serious altercation with the United States. For this purpose they may wish to have the proffered Soviet aid they referred to in the Declaration of Havana translated into a unilateral military guarantee analogous to the Eisenhower Doctrine of 1958 in the Middle East so that they could call on Russian aid when required. The way in which the Cubans exploited the Russian [rocket rattling] in mid-1960 suggests that they have this in mind, and conversely from the way the Russians proceeded subsequently to water down their statements that the Kremlin is loathe to climb out too far on the Cuban limb.

14. In all this the Cubans have of course one eye cocked 90 miles away. While seeking increased Soviet support they have to be careful not to provoke the Americans too far. For this reason it can be assumed that they would be reluctant to enter into a treaty of mutual assistance or any form of agreement that might lead to the establishment of Soviet bases on Cuban territory or other more outward forms of the Soviet military presence than the military

equipment which has already been supplied. They are equally careful in their continuous statements on Guantánamo, which have been more strident of late following on the mysterious death of a Cuban worker in the base, to emphasize that they eschew any resort to violence to regain possession of this territory.

15. At present the Cuban-Soviet relationship would appear to be a happy one with, in general, satisfaction on both sides, even though the Russians must have cause for periodic concern at the Cuban tendency to act precipitately. However, in the longer run there is room for doubt. Although both countries share the common interest in reducing United States influence in the hemisphere, Cuba by virtue of its Latin American background and geographical position has particular interests which may not always coincide with those of the USSR. Moreover, if its over-close identity with the Soviet bloc, combined with the bilateral problems which to one degree or another Cuba has with all Latin American countries, should lead to further estrangements and in the end to Cuba becoming a continental pariah, then this country might well prove to be more of a liability than an asset to the Soviet Union.

GEORGE P. KIDD

CHAPITRE X/CHAPTER X

AFRIQUE
AFRICA

PREMIÈRE PARTIE/PART I

AIDE AUX PAYS FRANCOPHONES D'AFRIQUE
AID TO FRENCH-SPEAKING COUNTRIES IN AFRICA

849.

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. 110-61
CONFIDENTIAL

[Ottawa], February 10, 1961

EDUCATIONAL ASSISTANCE FOR
FRENCH-SPEAKING AFRICAN STATES

The Commonwealth Scholarship and Fellowship Plan¹ has attracted considerable favourable attention throughout Canada. It has been pointed out, however, that our French-speaking universities and other educational institutions can participate in it only to a very limited extent because countries to which the Plan applies are English-speaking. It has therefore been urged in Parliament and outside that some effort be made to find a way in which Canada's French-language universities and other educational institutions could participate more fully in schemes for educational assistance.

These suggestions have come forward at a time when a number of former French and Belgian dependent territories in Africa have attained independence. By the end of 1961 some seventeen states of which the predominant language is French (apart from the native tongues) will have reached independent nationhood.

These newly-independent nations will look to Canada for help because Canada shares with them a common language, is not a colonial power, and has expressed interest in emerging Africa; and also because these newly-independent states may wish to reduce their political, economic and cultural dependence on France and Belgium.

French-speaking Africa is an area of great potential importance with a total population of approximately 45 million. It is in our interest that the educational needs of these countries be met as far as possible from the West. They are sympathetic to the West but they must seek outside assistance to remain viable and if Western countries are to retain influence in this area, it is important that they provide assistance. These African countries have voiced their needs for scholarships abroad for their French-speaking students, for French-speaking teachers in their own countries and for other types of educational assistance. Canada is one of the countries whose help they would most appreciate because Canadian assistance would not be surrounded by embarrassing implications that these countries were still dependent on the former colonial

¹ Voir/See Volume 27, document 126.

powers. It is interesting to note that the United States, in carrying out its own programmes for French Africa, is making use of the facilities of French-language institutions in Canada.

In the light of these considerations, it is proposed that approval in principle be given to the establishment of an educational assistance programme for newly independent French-speaking African countries at a cost of approximately \$300,000 per year. This educational assistance might include scholarships, the provision of teachers and teacher-trainers in so far as this is possible and other forms of educational assistance. It is suggested that the administration of such an educational assistance programme in Canada could be a responsibility of the External Aid Office. A study would need to be made of the staff and budgetary implications of administering the programme.

It is relevant that at its recent General Conference the United Nations Educational, Scientific and Cultural Organization (UNESCO) approved an emergency voluntary programme of additional aid for the development of education in Africa including surveys of educational needs and provision of overseas teachers and professors. This programme is to be financed by voluntary contributions from governments and non-governmental organizations. UNESCO will also administer offers of fellowships from donor governments for advanced degrees to students from African countries in order to alleviate the shortage of qualified teaching staff in institutions of higher learning. It is apparent that, as a result of these decisions, UNESCO will be in a position to give worth-while advice on the type of Canadian educational assistance programme which would best suit the needs of French-speaking African countries. Since, with the exception of Leopoldville, Canada does not have diplomatic representation in any of the French-speaking African countries, it would also be necessary to work out procedures for liaison with such countries in setting up a Canadian programme and UNESCO could be helpful in this. It is accordingly suggested that an approach should be made to UNESCO with a view to seeking their co-operation in formulating a Canadian programme and developing procedures for implementing it.

A Canadian educational assistance programme for newly independent French-speaking African states would result in demands on the French-speaking educational resources of the provinces, particularly the Province of Quebec, and it would therefore seem necessary, in developing the scheme, to have from the beginning the co-operation of the provinces and educational institutions which will be mainly concerned.

It is therefore recommended that:

- (1) The Canadian Government approve in principle the establishment of an educational assistance programme including scholarships and the provision of teachers and teacher-trainers and other types of educational assistance for independent French-speaking African countries at a total cost of approximately \$300,000 annually;
- (2) The External Aid Office be responsible for the administration of this programme in Canada, the necessary extra staff and budget to be provided;
- (3) The Secretary of State for External Affairs be authorized to discuss with the United Nations Educational, Scientific and Cultural Organization the possible content of the Canadian programme and the procedures for implementing it;
- (4) The Secretary of State for External Affairs be authorized to discuss with the provinces and universities concerned and with other educational authorities the ways in which they could best assist in developing and implementing the scheme; and
- (5) After these discussions, Secretary of State for External Affairs submit a detailed plan to Cabinet for approval outlining proposals on the content of the programme and the countries which it would cover.

850.

PCO

*Extrait des conclusions du Cabinet**Extract from Cabinet Conclusions*

SECRET

[Ottawa], March 14, 1961

Present

The Secretary of State for External Affairs and Acting Prime Minister (Mr. Green) in the Chair,
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Assistant Secretary to the Cabinet (Dr. Hodgson),
 Mr. D.F. Wall, Privy Council Office.

. . .

EDUCATIONAL ASSISTANCE FOR FRENCH-SPEAKING AFRICAN STATES

29. *The Secretary of State for External Affairs* said that it had been urged in Parliament and elsewhere that means be found of ensuring greater participation by Canada's French-speaking universities and other educational institutions in the Commonwealth Scholarship and Fellowship Plan for educational assistance. Considering the present emergence as independent nations of a number of former French and Belgian dependent territories in Africa, and the desirability of retaining Western influence in these areas, he considered it important that Canada, as a non-colonial power sharing a language with these areas, establish an educational assistance programme for these new nations. Approval in principle was sought for a programme at an annual cost of approximately \$300,000.

An explanatory memorandum had been circulated, (Minister's memorandum, Feb. 10 – Cab. Doc. 110-61).

30. *Mr. Green* stressed the vital importance of granting educational assistance to emergent nations in Africa as a means of improving international understanding, and pointed out that this was a unique opportunity for Canada's French-speaking educational institutions to make a useful contribution.

31. *During the discussion* some Ministers said that the amount involved was greater than the amount of federal grants made annually for the benefit of Canadian students. Others expressed concern that African students coming to Canada might attempt to enter the labour force and remain as immigrants.

32. *The Cabinet* noted the recommendation of the Secretary of State for External Affairs concerning educational assistance for French-speaking African states, and agreed to consider it again at another meeting of the Cabinet.

...

851.

PCO

Extrait des conclusions du Cabinet
Extract from Cabinet Conclusions

SECRET

[Ottawa], April 10, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Trade and Commerce (Mr. Hees),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs (Mr. Churchill),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Postmaster General (Mr. William Hamilton),
 The Solicitor General (Mr. Browne),
 The Minister of Mines and Technical Surveys (Mr. Comtois),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Minister of Forestry (Mr. Flemming),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Dr. Hodgson).

...

EDUCATIONAL ASSISTANCE FOR FRENCH-SPEAKING AFRICAN STATES
 (Previous reference March 14)

20. *The Secretary of State for External Affairs* said that the French-speaking universities and other educational institutions in Canada could participate to only a very limited extent in the Commonwealth Scholarship and Fellowship plan because the countries involved were English-speaking. He proposed that approval in principle be given for the establishment of an educational assistance programme for newly independent French-speaking African countries.

An explanatory memorandum had been circulated, (Minister's memorandum, Feb. 10 – Cab. Doc. 110-61).

21. *Mr. Green* went on to say that the United States was proposing that each country giving aid should allocate about one per cent of its gross national income to this purpose. This would represent about \$300 million a year in the case of Canada, as compared with Canada's present programme of about \$60 million this year. The United States had been suggesting directly to West Germany that it should increase its contribution, and there had been indications that similar suggestions would soon be made to the government of Canada.

Of all the various forms of aid, educational assistance produced the best results. The present proposal would have great value in goodwill, and would probably win for Canada increased support in the United Nations from the French-speaking countries of Africa.

22. *During the brief discussion* some said that informal representations had been received from persons in the Province of Quebec, urging the inauguration of some such scheme. The principle was sound, but the proposed annual amount of \$300,000 might be disproportionately high when compared with the amounts allocated for other programmes.

23. *The Cabinet* approved the recommendations of the Secretary of State for External Affairs,

(a) that approval in principle be given for the establishment of an educational assistance programme, including scholarships and the provision of teachers and teacher-trainers and other types of educational assistance, for independent French-speaking African countries at a total cost of approximately \$300,000 annually;

(b) that the External Aid Office be responsible for the administration of this programme in Canada, the necessary extra staff and budget to be provided;

(c) that the Secretary of State for External Affairs be authorized to discuss with the United Nations Educational, Scientific and Cultural Organization the possible content of the Canadian programme and the procedures for conducting it;

(d) that the Secretary of State for External Affairs be authorized to discuss with the provinces and universities concerned and with other educational authorities the ways in which they could best assist in developing and conducting the scheme; and,

(e) that, after these discussions, the Secretary of State for External Affairs should submit a detailed plan to the Cabinet for approval outlining proposals on the content of the programme and the countries which it would cover.

R.B. BRYCE

852.

DEA/8260-15-40

Note

Memorandum

[n.d.]

RECORD OF MEETING IN MONTREAL ON JUNE 22
TO DISCUSS CANADIAN PROGRAMME OF EDUCATIONAL ASSISTANCE
TO FRENCH-SPEAKING AFRICAN STATES

A meeting was held at the Customs and Excise Building, Dorchester Street, Montreal on June 22 between Federal Government officials and officials of the Quebec Government to discuss plans for the development of a Canadian programme of educational assistance to French-speaking African states. Present were:

Mr. Marcel Cadieux, Deputy Under-Secretary of State for External Affairs.

Dr. A.A. Day, Director of Education, External Aid Office.

Mr. G.A. Rau, Department of External Affairs.

M. Jean Oceau, Secrétaire exécutif du Ministère des Affaires Culturelles, Québec.

M. Maurice Gosselin, Département de l'Instruction Publique, Québec.

M. André L'heureux of the Ministry of Youth was unable to be present because of complications in air travel plans.

The educational needs of the African states as set out in the Draft Final Report of the Addis Ababa Conference² and in the report of the Canadian observer to that Conference† were reviewed briefly and the various possibilities by which Canada might assist in meeting those needs were examined. The particular questions discussed and conclusions reached were as follows:

(1) At Mr. Cadieux's initiative it was agreed that a recommendation of the Addis Ababa Conference regarding the establishment in Africa of regional pedagogical research institutes offered one field where a Canadian contribution might be usefully directed. It was pointed out that particulars regarding the proposed research centres had been sought from UNESCO and that the matter might be given further consideration when additional information about them became available. It was recommended that if the question of assisting in the establishment of a centre of educational research were to be pursued UNESCO might be asked to send to Canada an expert on the subject to take part in any future discussion of it.

(2) If it were eventually considered that the idea of identifying Canada with the development of a research centre had sufficient merit to warrant its adoption, pending the organization of such a centre, as an immediate and interim course a responsible official might canvas the French language Canadian universities, e.g., Laval, University of Montreal, University of Ottawa, to ascertain what the universities might be in a position to offer in the way of undergraduate and post-graduate facilities during the coming academic year. The same official might subsequently visit Africa to find out on the spot precisely how help could be best offered taking into account the knowledge already acquired regarding the facilities for accommodating students in Canada with the funds available.

(3) It was agreed that as an immediate measure and in order to keep active the interest of universities the question of accepting a symbolic number of post-graduate students from Senegal, the Ivory Coast and Morocco might be examined.

(4) In a similar symbolic and interim sense the possibility of arranging an exchange of professors on the university level between Tunisia and Canada might be studied. In such an arrangement the McGill Institute of Islamic Studies might be useful.

(5) It was agreed that if after implementing such of the above proposals as are found feasible any funds remained they might in part be devoted to the purchase of text books, school supplies and other physical equipment connected with the educational needs of Africa.

(6) If at some later date before the end of the 1961-62 financial year it was found that there was still a residue of unspent funds consideration might be given to turning them over the UNESCO special fund for education in Africa.

(7) It was suggested by the representatives of the Province of Quebec that the Quebec Government might be prepared to consider seriously the granting of a substantial financial complement to the federal fund for educational assistance to French-speaking African States. In this connection however the Quebec authorities were anxious that proposals from other provinces without special interest in this field would not be permitted to delay or interfere with the progress of the principal projects envisaged. It was recognized that apart from the federal authorities the Province of Quebec had a major interest in the elaboration and operation of the proposed scheme of assistance and that in any consultations leading to the submission of plans

² Voir UNESCO/ED/181, *Rapport final: Conférence d'états africains sur le développement de l'éducation en Afrique, Addis-Abéba, 15-25 mai 1961* (Nations unies, commission économique pour l'Afrique/Organisation des Nations unies pour l'éducation, la science, et la culture, s.d.).

See UNESCO/ED/181, *Final Report: Conference of African States on the Development of Education in Africa, Addis Ababa, 15-25 May 1961* (United Nations Economic Commission for Africa/United Nations Educational, Scientific and Cultural Organization, n.d.).

to the Federal Government, special liaison would need to be maintained between Ottawa and Quebec officials. At the same time however it was understood that the Federal Government intended to seek the advice and assistance of all the provinces and that of other interested bodies. It was also pointed out that some students from African states might possibly wish to avail themselves of educational facilities in provinces other than Quebec.

As the resources involved were primarily Federal it was agreed that having obtained the advice of the Province of Quebec and other provinces the ultimate responsibility for developing and implementing a programme rested with the Federal Government. Nevertheless, any plan formally adopted by the Federal Government would in all likelihood be developed in close consultation with the provincial authorities, especially those of the Province of Quebec, in order to ensure its acceptability to all concerned.

It was anticipated that once necessary agreement on the plans for the development of a programme had been reached at the official level among federal and provincial authorities they should be submitted to the Federal Government for approval. This having been done a clear basis for possible contribution by the Province of Quebec and perhaps by other provincial governments would become established.

(8) The representative of the Quebec Department of Public Education (Département de l'Instruction publique) Mr. Maurice Gosselin announced that if plans advanced at a satisfactory rate it might be possible to recruit secondary school teachers in the Province of Quebec for assignment to some African states by January 1962. Taking into account the variations of the academic year in the states of Africa it was agreed that steps to recruit such teachers should be followed up as soon as circumstances permitted.

(9) The representative of the External Aid Office pointed out that the External Aid Office under its terms of reference needed to ensure that its aid funds were used essentially for external educational aid, i.e., the sending out of teachers and the bringing in of students. He explained that while it might be possible to purchase educational equipment designated for French-speaking African countries the shipping charges for such equipment would have to be assumed by the receiving countries or UNESCO.

(10) It was agreed that another meeting should be convened possibly at Quebec City as soon as possible after information had been received from UNESCO regarding plans for the establishment of regional pedagogical centres.

853.

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. 289-61

[Ottawa], July 26, 1961

CONFIDENTIAL

THE CANADIAN PROGRAMME OF EDUCATIONAL ASSISTANCE
TO FRENCH-SPEAKING STATES OF AFRICA

The appropriate Canadian educational authorities* have now been fully consulted in the course of a meeting held on July 10, and agreement has been reached on recommendations for an immediate programme for the academic year 1961-62, and on the establishment of a working committee to consider plans on a longer-range basis. Prior to this plenary meeting, preliminary discussions took place between officials of the Federal Government who were greatly helped by the report of Mr. E. Morissette, M.P., on the Addis Ababa Conference on the educational needs of Africa, and by his attendance at these preliminary meetings following his consultations with senior officials of UNESCO in Paris on his way home from the conference in Ethiopia. Mr. Morissette took an active part in the preliminary planning, and is in agreement with what is now proposed. Discussions in some detail were also held between officials of the Federal Government and of the Ministries of the Government of the Province of Quebec responsible for educational affairs, with one meeting in Montreal and a further session in Quebec City.

* National Conference of Canadian Universities, Canadian Universities Foundation, Canadian Education Association, representing also the provinces, Canadian Teachers Federation, Association Canadienne des Édicateurs de Langue Française, La Corporation des Instituteurs et Institutrices du Québec, Ministries of Youth and Cultural Affairs of the Province of Quebec, Canadian Association of Professors of Education. (The Federal Government has been represented by the Departments of External Affairs and Finance and the External Aid Office.)

2. In consultation with the representatives of the Canadian universities it has been determined that it would not be possible for African students to be nominated and their academic certificates received and examined by Canadian universities in time for their admission to the courses commencing in September next. Therefore, it is proposed to devote the greater part of the funds available this year to the sending out of French-speaking teachers of vocational and trades-training subjects in accordance with the requests of the African states. As a result of the information provided at the Addis Ababa Conference, and after consultation with the educational authorities referred to in paragraph 1, I propose the following countries and distribution of teachers:

Congo (Brazzaville)	3 teachers
Chad	3 teachers
Mali	2 teachers
Tunisia	<u>2 teachers</u>
	10 teachers

It is hoped also to arrange with Tunisia an exchange of professors at the university level. Further, if it turns out that additional French-speaking teachers are available, it might be possible to meet UNESCO's appeal for a few Canadian teachers for its own special programmes. These teachers, of course, would be paid for by UNESCO and would not make any drain upon the Canadian funds.

3. Apart from Tunisia, it is proposed to assign the Canadian teachers not as isolated individuals, but in groups of three to work in the same area. Male teachers only will be recruited, and it is agreed that they should proceed to their posts abroad alone, in the first instance, with the possibility that their wives may be sent out later if living conditions are suitable. Teachers assigned abroad will be given one-year contracts by the External Aid Office, but these will be renewable, if it is decided that most of the available funds should be used in future to provide teachers, as the African states desire.

4. The External Aid Office will pay the salaries of the teachers and return transportation by air, in accordance with the usual terms and conditions.

5. It is expected that the average cost of sending out and maintaining a teacher in Africa, for one year, will be \$16,000.

6. In the event that not enough teachers can be recruited in the time available, in co-operation with UNESCO it would be possible to use a substantial amount of the available funds, and the following supplementary projects are proposed for consideration:

(a) the provision of an investigating team to make a survey in the Cameroun prior to the opening of regional pedagogical research centres in African states, at a cost of approximately \$100,000. The Canadian team would be composed of three or four specialists who together should have knowledge of educational administration, educational finances and economics, pedagogy, training of teachers, and educational statistics. This survey would last from six to eight months and should start at the beginning of October next. The Canadian team would work largely independently, after being briefed by UNESCO, but from UNESCO the Canadian team could readily draw support for their investigations. The head of the Canadian team should have a good knowledge of educational administration and a wide familiarity with educational systems other than Canadian.

(b) the supply of school equipment, including text books, audio-visual aids and possibly equipment for technical and vocational schools.

(c) the Department of External Affairs and the External Aid Office received a visit on Friday, July 21, from Dr. Aime Raymond N'thepe, the Ambassador of the Cameroun to the United States. Dr. N'thepe was not familiar with the UNESCO project outlined in (a) above, although this was a proposal made by the Government of the Cameroun to UNESCO. Dr. N'thepe suggested, at some length, that the most immediate need of his country which could be supplied by Canada, and probably only by Canada, was help and advice in creating a bilingual civil service of the Federal Government of the Cameroun. In October next the Cameroun is to absorb some 5 million English speaking citizens of the present Cameroons which has been hitherto a United Kingdom trust territory. These English-speaking citizens will amount to some 20 per cent of the total population of the Cameroun, when once the federation takes place. In consequence, it is a matter of great urgency for the Cameroun to make appropriate provision in its federal civil service for the imminent bilingual character of the future population. It is Dr. N'thepe's belief that the Cameroun could be greatly aided by a few bilingual civil servants on loan from Canada, not so much to advise on the technical administration of departments of government, but to be of assistance in advising on the creation of the new bilingual civil service. Dr. N'thepe was informed that although Canada was anxious to be of assistance, we would not have funds for both the educational survey and the project for the civil service. Dr. N'thepe, who was leaving for Paris, undertook to get in touch promptly with his Government, and to let us know by telegram whether his Government in fact preferred the survey or the new proposal concerning the civil service which, until the visit of Dr. N'thepe, was quite unknown to anyone here.

7. For the future, a small working committee has been established to consider appropriate plans. It is proposed that this committee will include representatives of the Departments of External Affairs and Finance and of the External Aid Office. The committee would include representatives of the provinces, particularly of the Province of Quebec in view of its special concern with this matter, and, in addition, representation from the universities and from the appropriate educational organizations of French and English-speaking Canada.

8. It is proposed that this working committee would consider and make recommendations on such matters as the following: the states to share in this programme, and in what order, since all 20 could not be included in any one year; the sending out of teachers; the bringing in of students; the equipment for technical schools; possible concentration on post-graduate students only for study in Canada; the provision of Canadian non-teaching educational experts, and kindred matters.

9. It is, therefore, recommended that for the academic year 1961-62 the immediate programme, as outlined, be approved, and that expenditures on one or more of the projects described in paragraph 6, to the extent that funds are available, be also approved.³

H.C. GREEN

854.

DEA/8260-15-40

*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 J-928

Ottawa, September 22, 1961

CONFIDENTIAL. PRIORITY.

Reference: Your Tel 1941 of Sept 21, 1961.†

CANADIAN PLAN OF EDUCATIONAL ASSISTANCE
TO FRENCH-SPEAKING AFRICAN STATES

Following for Cadieux:

External Aid Office has reported that recruiting programme in Quebec has proceeded extremely slowly but it now seems apparent that there will be seven non-technical teachers available including perhaps two women. Minister has instructed that two be sent to Tunisia, two to Chad and three to Congo (Brazzaville). Quebec officials will report later today regarding the final search for teachers of technical subjects and it is possible that a few may become available in which event an attempt will be made to supply the African states selected with what they specifically requested, e.g., Tunisia asked only for technical teachers. Recruiting in Quebec will end today. The candidates will be examined in Quebec City next week by federal and provincial officials. It is estimated that at least one month will be required for medical examinations, inoculations, security clearance, acceptance by African states and the receipt of assurances that local amenities will be provided.

2. As for Cameroun programme, on Minister's instructions request for Canadian judges is not being entertained. Commissioner R.C.M.P. has been requested to indicate the extent to which officers can be made available in a consultative capacity but excluding the proposal that officers have any responsibility for the maintenance of public order.

³ Approuvé par le Cabinet le 31 juillet 1961./Approved by Cabinet on July 31, 1961.

3. Pelletier of Civil Service Commission has undertaken to ascertain what help Postmaster General can give and what experts in communications (telephone, telegraph and radio) can be made available from government resources and from private industry and business such as Bell Telephone Company. Pelletier has also undertaken to discover if possible a suitable bilingual expert in statistics and economics for assignment to the government of the English speaking part of Cameroun Federation. His task would be not to improve but rather to create a Bureau of Statistics and provide general economic counselling.

4. The desirability of making a public announcement on this question in co-operation with Quebec officials is being borne in mind. However it is considered advisable to delay this until details of proposed programme become reasonably definite.

5. If further significant information becomes available after conversation with Quebec officials later to-day it will be sent to you.

855.

DEA/8260-15-40

*Le Bureau de l'aide extérieure
au chef de la délégation à l'Assemblée générale des Nations Unies
External Aid Office
to Chairman, Delegation to United Nations General Assembly*

TELEGRAM XAO-2186

Ottawa, October 11, 1961

RESTRICTED. PRIORITY.

Repeat for Information: Information Division, Mr. Rau.

Attention: Mr. M. Cadieux

TELEPHONE CONVERSATION CADIEUX-DAY TUESDAY NOON
FRENCH PROGRAMME FOR AFRICA

Quebec authorities are apparently now able to release considerable numbers of vocational teachers and about forty in all are being interviewed today in Montreal and in Quebec City on Friday. It may thus be possible to spend some \$200,000 for teachers and it is still intended that they should go to Congo (Brazzaville), Mali, Tunisia and the Chad. Plans for bilingual assistance to Cameroun civil service still under consideration with the RCMP very well disposed, but uncertain that they can do everything requested by Cameroun. Paul Pelletier of the Civil Service Commission has in hand approaches to senior Canadian bilingual civil servants in communications and statistics-economics, but is unable as yet to report progress. Will keep you informed henceforth regularly and let you know at once of important progress or changes.

2^e PARTIE/PART 2TUNISIE
TUNISIA

SECTION A

VISITE DU PRÉSIDENT HABIB BOURGUIBA À OTTAWA,
1 AU 3 MAI 1961
VISIT OF PRESIDENT HABIB BOURGUIBA TO OTTAWA,
MAY 1-3, 1961

856.

DEA/11033-C-40

Extrait d'un rapport sommaire
Extract from Briefing Note

CONFIDENTIAL

[n.d.]

NOTES ON TUNISIA AND PRESIDENT HABIB BOURGUIBA

...

Foreign Policy

Under President Bourguiba's leadership Tunisia has, since its independence, followed a pro-Western policy and played a very constructive and moderating role in international affairs. Tunisia has been a responsible member of the United Nations and has loyally supported the United Nations operations in the Congo. It has done this not only by sending to the Congo a very sizeable contingent (numbering 3,170 at the end of March 1961) but also by bringing Tunisian influence to bear on other African states.

By far the most important and intractable problems of foreign policy with which Tunisia has been confronted are those raised by the continuation of the Algerian War. President Bourguiba has long believed in the great importance for Tunisia and the other Maghrebian states of continuing close and friendly relations with the West, and particularly with France and the states on the northern shore of the Mediterranean. Believing that Algeria was bound to achieve independence sooner or later, Bourguiba has long been convinced that it is essential for the West, and particularly, of course, for Tunisia, to ensure that Algerian independence be achieved in such a way that the government of an independent Algeria would be moderate and well disposed towards the West. Tunisian fears about the kind of developments which could be expected to result from a continuation of the Algerian War would appear to have been confirmed by the reported decision last December of the "GPRA" ("Provisional Government of the Algerian Republic") to accept military aid from the USSR.

It is with this assessment of the North African situation in mind that President Bourguiba has for many years been exerting a valuable moderating influence on the "GPRA" which has its headquarters in Tunisia. Earlier this year, moreover, he made a significant contribution to a solution of the Algerian problem by acting as an intermediary between President de Gaulle and the "GPRA" in trying to bring about agreement on the preliminaries required for direct negotiations between the two parties most immediately concerned. It has taken considerable political courage for President Bourguiba to continue to follow steadfastly this pro-Western and mediatory policy in the face of the problems posed for Tunisia by France's continued failure to solve the Algerian problem. Unfortunately this policy has placed him in a rather exposed position and it is doubtful that he will be able to follow this policy much longer unless

early progress is made in finding a solution to the Algerian problem. It is true, of course, that the patching up of his quarrel with the U.A.R., and Tunisia's renewed participation in the Arab League, should strengthen President Bourguiba's position and perhaps enable him to exert some influence in preventing the other Arab states from taking an extreme position on Algeria at this delicate stage. It seems unlikely, however, that President Bourguiba's improved relations with the Arab states, or the present restraint of these states on the question of Algeria, will last in the absence of continuing evidence of progress in finding a solution to the Algerian problem. (Attached are a background brief and some suggested talking points on the Algerian problem† which may be useful in connection with President Bourguiba's visit to Ottawa).

Internal Political Situation

President Bourguiba's government enjoys wide popular support in Tunisia and has provided the country with what is, by the standards of the area, an extremely efficient and progressive administration. Moreover, under Bourguiba Tunisia has enjoyed more internal political stability than any other country in North Africa or the Middle East, except perhaps Israel and the Egyptian region of the U.A.R. Bourguiba's popular support is partly due to his personality and his long and prominent leadership of the Tunisian independence movement and partly to the progressive nature of the policies pursued by his Government and the efficiency of the one-party system on which it is based. Without Tunisia's internal stability and Bourguiba's popular support it would not, of course, have been possible for him to pursue his courageous foreign policy. Nonetheless, as pointed out above, he is so openly committed to a moderate Algerian solution and close relations with the West that it seems inevitable that his domestic, as well as his external, position would be seriously undermined should General de Gaulle find it impossible to press on rapidly with a negotiated settlement in Algeria.

Economy

Tunisia is a small country of 48,300 square miles and a population which the 1956 census gave as 3.8 million. About two-thirds of the population are engaged in agriculture which accounts for 35% of total output and 50% of total exports. Mining (chiefly phosphates, iron ore, lead and zinc) have accounted for about 20% of exports in recent years. Manufacturing, however, still constitutes a relatively small part of the Tunisian economy.

Between 1945 and 1954 there was a period of rapid economic growth as a result of considerable French private investment and French Government aid (which financed a large part of the country's capital investment). With the approach of independence private investment ceased and in fact much of the invested capital was repatriated to France. In addition, French Government aid came to an end in 1957 and the economy has, therefore, tended to stagnate since 1955 despite the receipt of significant U.S. aid since 1958. The net result is that, with a population rising faster than production, the economic outlook at present is far from promising.

Canadian-Tunisian Relations

In 1957 Mr. Mongi Slim the Tunisian Ambassador in Washington and Tunisia's Permanent Representative to the United Nations was concurrently accredited as Tunisia's first Ambassador to Canada. Mr. Slim recently returned to Tunis to take up his position as Tunisian Foreign Minister and has been succeeded by Mr. Habib Bourguiba Jr. (the President's son) who presented his Letter of Credence as Tunisian Ambassador to Canada on April 18, 1961.

The concurrent appointment of Mr. H.F. Feaver, the Canadian Ambassador in Berne, as Canada's first Ambassador to Tunisia was announced in the House of Commons on March 15, 1961 by the Secretary of State for External Affairs, the Honourable Howard Green. Mr. Feaver is expected to present his Letter of Credence in Tunis at an early date.

Canada's trade with Tunisia is modest. In 1960 Canada's exports to that country, consisting mainly of milk powder and primary aluminium, amounted to \$169,000.00. The 1960 figures for imports into Canada from Tunisia are \$61,700.00, consisting mainly of olive oil and phosphate fertilizers.

MATTERS WHICH PRESIDENT BOURGUIBA MAY RAISE

(a) *Algeria*

In view of recent developments in Algeria, Tunisia's overriding preoccupation with the Algerian problem and the personal contribution President Bourguiba has made over the years in trying to facilitate a solution, it can be expected that he will raise the question of Algeria and will probably wish to develop his views on the subjects.

Attached are a background memorandum and some suggested talking points on the Algerian question.†

(b) *Canadian Economic, Technical and Educational Assistance*

Tunisia is in urgent need of assistance to develop its economy and to provide its people with greater educational and technical training opportunities. President Bourguiba may well enquire, therefore, whether there is any prospect of Canadian assistance in these fields. Since French is in effect Tunisia's second language, the President is perhaps more likely to raise the question of educational and technical assistance and to point out that because of its bilingual character, Canada is in a unique position to provide Tunisia with assistance in these fields. Tunisian interest in this possibility will no doubt have been raised by the Government's recent announcement of the scheme for educational assistance to French-speaking African states.

There are at present no Canadian Government programmes under which Tunisia could receive economic or technical assistance. With regard to educational assistance, no decision has yet been made concerning the countries which will be eligible to benefit from the recently announced programme for educational assistance to French-speaking African states. However, when it was drawn up it was envisaged that the programme would be designed primarily for the newly independent French-speaking African states south of the Sahara. There are 15 of these states with a total population of about 44 million who will have to share the \$300,000 which has been authorized for the programme. Were Morocco and Tunisia to be included this would mean that the programme would have to be spread more thinly over the participating states.

SUGGESTED TALKING POINTS

1. Canadian-Tunisian cooperation at the United Nations, particularly on African and Congo questions and in the Secretary-General's Advisory Committee on the Congo.

2. Canadian admiration for the very helpful and constructive role Tunisia has been playing in international relations, particularly for its loyal support of the United Nations and the United Nations operation in the Congo. (With a population of only 3.8 million and very limited economic resources Tunisia has sent to the Congo a contingent which numbered 3,170 at the end of March 1961.)

3. The confident expectation might be expressed that now that the diplomatic connection between Canada and Tunisia has been completed by the accreditation of a Canadian Ambassador to Tunisia, relations between the two countries will become even closer.

857.

DEA/11033-C-40

Note

Memorandum

CONFIDENTIAL

[Ottawa], May 8, 1961

SUMMARY OF CONVERSATION BETWEEN PRESIDENT BOURGUIBA AND
PRIME MINISTER DIEFENBAKER, OTTAWA, MAY 1, 1961

The *Prime Minister* invited the President to lead off the discussion with a general review of world conditions but *Mr. Bourguiba* preferred to take up areas and topics seriatim. He thought that Tunisia's general position on international developments had become well known through statements and votes in the United Nations. *Mr. Diefenbaker* agreed and expressed appreciation for the constructive role Tunisia had played in the Security Council and in the General Assembly.

Congo: In reply to the *Prime Minister's* enquiries, the *President* preferred not to make specific predictions as to the course events would take in the Congo. He was not very optimistic and thought that disputation would continue for a long time; the present divisions would go on until there is wide agreement and strong leadership in the country. The *Prime Minister* wondered just who the leaders were who could bring the Congo to stability and the *President* gave his view that they did not yet exist but were sure to show up later.

In response to an enquiry from *Mr. Diefenbaker* about Mr. Tshombe's detention, *Mr. Bourguiba* said that nothing was surprising in the Congo and that anything could happen; the Congolese behaved like children and the logic of more advanced countries did not apply to them. The problems of the Congo, basically those of tribalism and national disorganization (for which the Belgians carried a grave responsibility) had been aggravated by the introduction of the Cold War into that country and by the reflection of the ambitions of certain outside African leaders.

At a later stage, the *Prime Minister* commented on the amazingly high proportion of the Tunisian armed forces which had been committed to the U.N. operation in the Congo – about 3,300 out of total forces of 25,000. The *President* agreed that it was indeed a high proportion; the reason Tunisia had allocated so many to the U.N. operation was to give full support to Mr. Hammarskjöld and to the capacity of the United Nations to maintain its authority. Tunisian participation was not particularly because of sympathy for the Congolese themselves, who did not seem to deserve it.

Cuba: *Mr. Diefenbaker* said he would be interested to learn of Tunisian reaction to the Cuban situation. *Mr. Bourguiba* recognized this as a particularly difficult problem. The reaction in Latin America had been a confusion of nationalism with a certain rancour against the United States. There was a danger that Castroism would spread and gain momentum in all Latin America and this could provide a springboard for international communism. The United States would have to be very careful if a worsening of the situation were to be avoided. The *Prime Minister* enquired how, in the President's opinion, this worsening should be prevented. *Mr. Bourguiba* said this could only be done by not permitting new developments whereby Latin American bitterness would increase. It was important to move in time and prevent a foothold for communism; at a later stage it might be too late. *Mr. Diefenbaker* wondered what was the proper stage at which to stop communism. Was it possible that the effort to stop it might, in fact, be responsible for strengthening communism? *Mr. Bourguiba* said that communism profited from rancour and resentment; when a dominated country reacted against domination, communism is given an opportunity. Preventive action was the important thing.

The colonialist approach of certain enterprises in Latin America gave fighting ground to communism. The new U.S. administration had accepted new concepts but this had come too late for Cuba. Castro's policies and measures had already been undertaken and he had already come to some extent under Russian influence. The only real solution was to arrive at a position where Castro would be removed to allow the anti-Batista democrats to take over. *Mr. Diefenbaker* agreed but asked how Castro was to be removed. *Mr. Bourguiba* said that if earlier on the United States had given help to the Cuban patriots, it would have been successful. The United States had been too cautious and should have carried through with bolder plans. Obviously the U.S. could not readily accept such a close neighbour under Soviet influence. *Mr. Diefenbaker* asked *Mr. Bourguiba* what he thought should be done now. The *President* said that the U.S. Intelligence people had made serious mistakes. However, Castro was now aggravating the situation, was going to extremes and making many mistakes. Castro's own situation was certainly getting worse. Perhaps in due course another attempt by anti-Castro patriots would be successful. The Soviet Union could not do very much in these circumstances. (Imagine if Rumania or Bulgaria were to carry out a pro-American revolution!) The *President* was convinced that Castro could not last long and suggested that this prediction be remembered.

Algeria: The *Prime Minister* invited his visitor's comments on the prospects in Algeria. The *President* said that the situation continued to be difficult but he continued to have some qualified optimism. He thought negotiations would begin on May 4 and that they would bear fruit. But the Algerian war had lasted too long and the situation had become more complicated. There was still the important problem of the Sahara and its oil to be arranged. *Prime Minister Debré* wanted to retain the Sahara for France. The resources of the Sahara were great, particularly in petroleum. Tunisia was also interested in exploiting oil resources in the small area of the Sahara reserved for it. The *Prime Minister* asked for clarification of this reference and enquired if there were any agreement, and between whom, as to disposition of Saharan territory. The *President* replied that there was no international agreement but that Tunisia had justifiable claims to a small area, about 500 by 200 kilometres adjacent to Tunisia. He mentioned that Tunisia already had a pipe-line. He went on to explain that, when France controlled all North Africa, it had carved up territories, established boundaries and, in the process, had arbitrarily allocated the "huge belly" of the Sahara to Algeria. Some logical and beneficial redistribution of this territory was called for. He said that the Maghreb countries, Morocco, Algeria, Tunisia and, possibly, Libya, had been thinking about plans for a cooperative form of association to develop the Sahara. They hoped to enlist the close cooperation of France in such a project, since the ensemble of North Africa had close ties with France and French technical and financial contributions would be obviously useful. Such an association for development of the Sahara could place on a level of secondary importance the question of sovereignty of the Sahara. The possibilities of including France in such an association and of French cooperation depended on the way the French proceeded with regard to Algeria. France could place psychological obstacles in the way of future cooperation; timing was very important and dilatory tactics by the French in reaching an agreement on Algeria could heighten North African resentments and make effective Saharan arrangement more difficult. The *Prime Minister* asked what form of cooperation with France was envisaged. *Mr. Bourguiba* answered that he envisaged cooperation in entire freedom. It would not be a formalized alliance nor necessarily an institutional agreement. The specific forms were hard to foresee. Emotions must be allowed time to subside and the interests of all must be keyed to cooperation.

Attitude of North Africa to the West: *Mr. Diefenbaker* asked about the influence of the communist countries in North Africa. He specifically enquired about the presence and influence of the Chinese communists. *Mr. Bourguiba* said there had been little sign of the

Chinese; there was a Peking Embassy in Morocco and some relatively minor trade arrangements but these were not important or dangerous. The dangerous element was the continuing war in Algeria. North Africans, pitted in battle against the French, were apt to regard the communist countries as "the enemies of our enemies." Africans generally were inclined to be suspicious when they detected indications of a lack of serious intention to decolonize. There was a feeling that France might have engaged too much support from its NATO allies. At some point, desperation might incline the Algerians to closer relationship with the communist countries and greater influence for the communists. The *Prime Minister* asked whether North Africans thought that NATO had any responsibility for the situation in Algeria and what Africans generally thought about NATO. The *President* replied that people did think NATO had responsibility for the Algerian situation. It was hard for them to think otherwise when the French forces in Algeria were equipped with NATO weapons and Algerians were killed with bombs "made in U.S.A." Moreover, the votes at the United Nations by NATO countries on Algeria and other colonial questions had strengthened African suspicions of NATO. And at the same time, these things increased Russia's propaganda advantages. The *Prime Minister* asked whether the *President* could, in fact, confirm that bombs or shells "made in U.S.A." had been used in Algeria. *Mr. Bourguiba* confirmed that this was incontestably so and the United States did not contest it. Clearly labelled American bombs had also been used in the French attack on the Tunisian village of Sakhiet. In general, the role which France had played during seven years of war in Indochina and seven years of war in Algeria had brought a bad reputation to NATO and the Western world. Perhaps Western attitudes towards the Congo and Angola had contributed to this. No Russian bombs had fallen on Algeria but the Algerian nationalists had been supplied with some Czech weapons via Cairo. Fifty-five per cent of the Algerian population is under the age of 20 years. They are aware only of Soviet bloc support and the only weapons they know come from Eastern Europe.

Tunisia: Mr. Diefenbaker asked how Tunisia met the problem of communism at home. *Mr. Bourguiba* replied that this was done by trying to remove the causes of communism such as feudalism, starvation wages, etc. There were no laws against communism and the Communist Party was legal. The effectiveness of this policy was demonstrated by the large majority his party had received from the people. The *Prime Minister* commented on the tremendous and impressive majority *Mr. Bourguiba* had received. The *President* noted that there was no similarity with the 98% majority *Mr. Khrushchev* had been given and that Tunisia certainly was not a police state. He and his party had avoided trouble by being able to surmount some of their greatest problems such as unemployment. One of their greatest successes had been in the mobilization of the people by a campaign of information and speeches which had convinced the people of the need to pull themselves out of a state of under-development. Many international experts had been impressed with what had been achieved.

In response to *Mr. Diefenbaker's* question about Tunisia's export trade, *Mr. Bourguiba* said that formerly Tunisia had had a favourable balance of trade. Exports consisted mainly of agricultural and mineral products. For the past year or so the balance had been unfavourable because of relatively large imports of industrial plant and machinery. An effort was being made to diversify sources of production and wealth. The plants being set up were for chemicals and plastics and for refining phosphates for export. In longer term, the recent imports of industrial plant should more than pay for themselves.

The *Prime Minister* asked about the status of Algerian refugees on Algerian soil. What proportion of them were undergoing military training by the Algerian national forces? The *President* replied that there were something over 150,000 Algerians in Tunisia. Of these, about 140,000 were refugees looked after by the U.N. High Commissioner for Refugees and the International Red Cross. The remainder, about 10 to 15 thousand, were young men, many of

whom were receiving military training. The Tunisian Government would see to it that these young men would not bother the French in Tunisia.

Bizerta: Mr. Bourguiba stated that it was folly on the part of the French to hold on to the Bizerta base⁴ – a considerable area – even though it was President de Gaulle's aim to decolonize. There were still many French who thought in terms of prestige, glory and hegemony and who hoped to retain the Sahara, Mers-el-Kebir and Bizerta. This was a sort of sickness that took a long time to recover from. France had no title to Bizerta and there was no accord governing its status. Answering Mr. Diefenbaker's query, Mr. Bourguiba explained that there had been no agreement covering Bizerta at the time of Tunisia's independence; this matter had been set aside for subsequent discussions. But the French had been unwilling to talk. If there had been an agreement at the time of independence the French would certainly have arranged for a lease. At the present, the President said, he could not decently pay a visit to the Tunisian city since it was occupied territory. In France the President had found many otherwise well informed Frenchmen astonished to learn that France still held Bizerta. He had told General de Gaulle that no common action between France and Tunisia was possible until the question of Bizerta was settled. And, the President said, Bizerta had no real strategic or logistical necessity for France, a fact which made the situation even more unacceptable to Tunisians. In reply to an enquiry from the *Prime Minister*, the *President* stated that the Tunisians did not regard the presence of the French forces at Bizerta as a source of protection. The week previously (i.e. during the revolt of French forces in Algeria) Tunisia had even been apprehensive about an attack by the French from Bizerta.

The meeting ended with reciprocal assurances of continued consultation and cooperation within the United Nations.⁵

⁴ Voir/See D.C. Watt, John Major, Richard Gott, and George Schöpflin, eds., *Documents on International Affairs, 1961* (London: Royal Institute of International Affairs/Oxford University Press, 1965), pp. 797-807.

⁵ Note marginale :/Marginal note:

Mr. Robinson advised me by telephone that Prime Minister had no objections to this account. L.A.D. Stephens.

CHAPITRE XI/CHAPTER XI
POLITIQUE D'IMMIGRATION
IMMIGRATION POLICY

858.

DEA/232-AB-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 24, 1961

COMMENTARY ON THE PROPOSED REVISION
OF THE IMMIGRATION REGULATIONS

You have asked for our comments on the proposed revision of the Immigration Regulations, for the next meeting of the Cabinet Sub-Committee, which I understand will take place at 9.30 a.m. today. We are restricting our comments to Regulations 18, 19 and 20 as these would appear to be the only Regulations which might affect our relations with other Commonwealth countries or with foreign countries. The other sections of the Regulations deal mainly with the administration of the Act in Canada. (I believe that you have a copy of the revised Regulations.)

2. There has been a complete change of Regulation 20 defining the groups of admissible immigrants. Under the existing regulations four groups of persons in order of preference were named;

(a) Citizens of the old Commonwealth countries, Ireland, France and the United States who may enter almost without restriction,

(b) Citizens of Western Europe or refugees from Europe who may enter under sponsorship or placement for employment by the Immigration authorities,

(c) Citizens of some Middle East countries or of any country of Europe (mostly Soviet-bloc) or of North, Central or South America who are relatives of a Canadian citizen or a permanent resident of Canada by whom they are sponsored,

(d) Citizens of any other country (Africa and Asia) who are close relatives of a Canadian citizen or of a permanent resident of Canada who sponsors their admission.

3. Under the Revised Regulations, the only limitation on admission is general assimilability and employability (irrespective of citizenship or country of origin). In addition, under Regulation 20 (b) the close relatives of Canadian citizens would be admitted and, under Regulation 20 (c) the close relatives (more strictly defined) of legal residents of Canada.

4. These regulations mean that there would no longer be any limitation on admission to Canada for reasons of citizenship, colour, class, race or creed provided only that the prospective immigrants met the requirements of employability and sufficient means for maintenance until established or accepted by the Director of Immigration either for placement in employment or for establishment in a business, trade, profession or in agriculture. I understand from Immigration officials that there would be no Ministerial discretion to refuse applicants if they met the required conditions. The only practical limitation on the proposal, according to the information I have been able to obtain, would be the availability of security screening (and immigration processing) facilities. For example, there would be no security

screening available in most of the Far East, outside the Commonwealth countries, and probably in most countries of Africa; there would be facilities, however, for Japan, the Philippines and certain other friendly countries.

5. This proposed revision, on the face of it, has the advantage that it appears to remove discrimination from our immigration policy, and as such it may be an improvement on the old Regulations. However, its actual effect would depend on the method by which it would be administered. It might be desirable to ascertain at the Cabinet Sub-Committee meetings whether it is intended that the Regulations would be administered impartially or on a selective basis thereby in effect restricting certain nationalities from entering as freely as others. For example, would “evidence of (the applicant’s) ability to establish himself successfully” mean in practice that all nationalities would be required to have the same amounts of money to qualify for entry and that “education, training and skills, or other special qualifications” (Regulation 20 (a)) would be equivalent in all cases?

6. Again, immigrants from the West Indies would require less funds to finance their migration to Canada because of their proximity to this country, with the result that we might be faced with a flood of such immigrants. It would be desirable to learn if there is any intention of limiting such large groups from any one country. This might present greater difficulties if the country were a member of the Commonwealth.

7. In general, nationals of some countries, particularly of Asia, who might not qualify for admission under the revised Regulations – despite the large number who would qualify – would find it much easier than under the present Regulations to gain admission by misrepresentation (through the pooling of financial resources or the falsification of documents respecting skills, etc.). The result might then be that the Government would be compelled to take steps to restrict their entry and impose in practice certain selective criteria. This might well result in a greater strain being placed on our relations with these countries than if the present Regulations with their open discriminatory provisions remained in effect. As mentioned above, clarification might be sought as to the way in which the proposed revised Regulations would be administered in order that their possible effect on our relations with other countries could be assessed.

8. Under the present Regulations, pressure is brought to bear on the Minister of Citizenship and Immigration by individuals wishing to remain in Canada, who are usually supported by pressure groups, and the Minister is anxious to be spared the necessity of exercising her discretion. Under the revised Regulations, however, individual pressures might be transformed into group pressures based on nationality, and foreign governments, which would be exerting the pressure, might appeal to you to ensure the admission of greater numbers of their nationals. Again, the degree to which this would be a thorn in the Government’s side depends on how the Regulations would be administered and how much or how little discretion there would be.

9. I should like to supplement these general observations with the following more specific comments:

(a) Revised Regulation 18 (6) provides that a person exempt from the non-immigrant visa requirement could be landed as an immigrant if he has an immigrant visa or a letter of pre-examination. It would be desirable to ascertain whether non-immigrants who do not require visas and who enter Canada would be allowed to apply for immigrant landing.

(b) Foreign students studying in Canada under an exchange programme might also wish to remain permanently and might apply for letters of pre-examination permitting them to apply as prospective immigrants under Regulations 18 (6). You may wish to consider whether it would be desirable to ascertain at the Cabinet Sub-Committee meetings whether the students would be allowed to remain in Canada in the interests of Canada’s development or required to return to their home countries, as desired by the Governments concerned, in order to contribute to

their own nation's development. While the Government believes in the freedom of a person to reside in the country of his choice provided he meets that country's requirements, the purpose of the student aid programme is to train people to contribute to their own country's development.

(c) Under revised Regulation 20 (b) Canadian citizens may sponsor the admission of close relatives, but this group now excludes brothers and sisters and the spouses and minor children of such brothers and sisters, who are included in the present Regulation 20 (c). The revised Regulation 20 (b) also does not permit permanent residents of Canada to sponsor these classes of close relatives, as does present Regulation 20 (c). This would restrict a large group of close relatives, some of whom, however, might be admissible under revised Regulation 20 (a).

(d) We have agreements with India, Pakistan and Ceylon giving them annual quotas of 300, 100 and 50 immigrants respectively. If a lesser number of immigrants should arrive in any one year under the provisions of the revised Regulations, the agreements could stand but would be meaningless. However, if more immigrants applied than are provided for, the agreements would probably have to be abrogated so as not to limit the immigrants to the set quotas which would then discriminate against these countries in relation to all other countries the citizens of which would be freely admissible as to numbers under revised Regulation 20 (a).

10. Revised Regulation 18 deals with the requirement of immigrant and non-immigrant visas, on which I should like to make the following observations:

11. Revised Regulation 18 (3) requires that every immigrant seeking to land in Canada shall be in possession of an immigrant visa; however, Regulation 18 (4) grants the Minister of Citizenship and Immigration discretion to exempt any group or class from this requirement.

12. I see no objection to these provisions provided the Minister will continue to exempt from the immigrant visa requirement the groups which are now exempt, namely British subjects by birth in the old Commonwealth countries, citizens of Ireland and France by birth in these countries, and citizens and permanent residents of the United States. If, however, the groups to be exempt from the immigrant visa requirement should exclude British subjects in any of the old Commonwealth countries, this would be undesirable from the point of view of our relations with these Commonwealth countries. We have no knowledge of Immigration's plans in this regard.

13. Revised Regulation 18 (5) provides that every non-immigrant must be in possession of a valid non-immigrant visa but revised Regulation 18 (6) provides that the Minister may exempt any group or class from this requirement. I see no objection to these provisions provided the Minister will exempt from the non-immigrant visa requirement the groups which are now exempt, namely British subjects and citizens of Commonwealth countries, citizens of Ireland and France, citizens and permanent residents of the United States, crewmen and members of the Armed Forces of NATO, natural-born citizens of Western Hemisphere countries, and citizens of any country coming to Canada from the United States. However, I believe there would be no political objection to Immigration's removing from this list the citizens of any country entering Canada from the United States since the requirement that these persons should have non-immigrant visas should not adversely affect our relations with the countries concerned. This would require, however, that our posts in the United States issue non-immigrant visas, which they do not do at present.

14. It may also be desirable, in the interests of fostering Commonwealth ties, to state explicitly in the Immigration Regulations that *all* British subjects and Commonwealth citizens (as well as citizens of the other countries now included) may enter Canada as non-immigrants without visas. (At the present time, only the old Commonwealth countries (as well as Ireland, France and the United States) are listed in the Immigration Regulations and citizens of other Commonwealth countries may enter without non-immigrant visas under a Ministerial

directive.) However, if such a revised non-immigrant list were included in the Immigration Regulations and the list of countries whose nationals could enter without immigrant visas were also included (embracing as they do only citizens by birth of old Commonwealth countries), unfavourable comments might be made with respect to the special immigrant privileges granted to certain types of British subjects.

N.A. R[OBERTSON]

859.

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. 383-61
CONFIDENTIAL

Ottawa, October 16, 1961

IMMIGRATION REGULATIONS

1. As a first step in the revision of the Immigration Act and Regulations, it is proposed to introduce a revised set of Regulations. A draft of the proposed new Regulations is submitted herewith, based upon discussions held in the Cabinet Sub-Committee on Immigration Policy. The draft proposals, in the form in which they are now submitted, are for discussion as to content only, inasmuch as they have not yet been submitted to the Department of Justice for final drafting.

2. The two principal criticisms of Canada's present immigration legislation are that:

- (1) it is based on racial or colour discrimination; and
- (2) that it contains no provisions for appeals to the courts against arbitrary and bureaucratic decisions of the Department.

Provision for appeals to the courts can only be provided by amendments to the Act itself, but the policies and provisions which are attacked as discriminatory are to be found almost exclusively in the Regulations, rather than in the Act. That is why a revision of the Regulations has been undertaken first, as the initial step which can be completed fairly quickly in the total process of legislative overhaul.

3. The revised Regulations now presented for consideration have, therefore, as a principal objective the elimination of any valid grounds for arguing that they contain any restrictions or controls based on racial, ethnic or colour discrimination. An attempt has also been made to "houseclean" the Regulations in their entirety, by eliminating or modernizing numerous provisions which are obsolete in their present form or which require to be brought into line with current practice and administrative procedures.

4. Minor changes in wording or alterations of a procedural and technical nature are proposed in almost all of the present Regulations. A number of deletions or alterations have been made for the purpose of removing obsolete or outmoded provisions. The most important of these technical and procedural changes affect the responsibilities of transportation companies bringing immigrants to Canada. In some instances the penalties provided for failure by transportation companies to comply with the requirements of the Regulations are increased, in others decreased. The net effect is of no great significance, one way or the other, except that the penalties imposed will now, in almost all cases, be based on summary conviction procedures, rather than on arbitrary administrative action by the Department. The objective in the new Regulations is to maintain adequate administrative control over the activities of

transportation companies bringing immigrants to Canada, while at the same time eliminating or toning down the more arbitrary provisions of the present Regulations. Some of the provisions presently in effect could well raise awkward questions as to their legality or as to their consistency with principles enunciated in the Bill of Rights.

5. Apart from the foregoing the changes of greatest significance are to be found in Regulation 1(b) which defines "son" or "daughter" (replacing the present unsatisfactory definition of child); Regulation 17 (the literacy test); Regulation 18 (passport, visa and other documentary requirements); and Regulation 20 (admissible classes).

6. *Regulation 1(b)*: The present definition of child excludes all adopted children and all children who would be regarded as illegitimate if born in Canada under Canadian laws respecting domicile and marriage. As a result, whenever it is desired to admit an adopted or illegitimate child as an exception, it is necessary, under present procedures, to obtain the authority of an Order-in-Council to waive the restrictions contained in the present Regulation. The purpose of this restrictive definition has been to maintain effective control over Chinese adoptions or other adoptions of convenience; and also to prevent the entry of children born to the second wives or concubines of Chinese who are in Canada and who desire to bring in the children of their first wife and also the children of their concubine.

By decision of the Cabinet Sub-Committee, no provision has been made in the new definition of "son" or "daughter" for the inclusion of adopted children. However, the new definition adds to the former definition of "child" (which covered legitimate children only) a new clause which makes provision for illegitimate sons or daughters under 21 years of age within certain carefully defined limits. This new provision is intended to make it possible for a woman who is being allowed to come forward to Canada to bring her illegitimate son or daughter under 21 years of age with her. This will cover most cases where there is a valid case for permitting the entry of the son or daughter: but since concubines, as such, are not regarded as wives and therefore not permitted to come to Canada, their children will under the new Regulation continue to be excluded from the definition of "daughter or son."

7. *Regulation 17*: The literacy test set out in the present Regulations is not satisfactory and is not, in fact, being used. The new test proposed is more general in character and will be applied if approved. It is based on a two-fold provision. Scholastic and educational documents will be accepted as *prima facie* proof of literacy: but where any doubt exists, or in cases where the required documents are not readily available, the proposed immigrant may be required to read and to complete a simple form which will test his ability to read and write, or to read an extract from a newspaper and write a few simple sentences in the language of his choice. It is not considered necessary or desirable to spell out the precise details of the test in the Regulation itself.

8. *Regulation 18*: This entire section of the Regulations has been reorganized and developed in more orderly fashion than before. Subsections (1) and (2) concern *passport* requirements and the conditions under which passports are not required. Subsections (3) and (4) deal with *visa requirements for immigrants* to Canada and authorize the Minister to dispense with this requirement under certain circumstances for certain groups and classes of persons. Subsections (5) and (6) repeat, with respect to *non-immigrant* visas, the provisions of the preceding subsections with respect to immigrant visas. The three concluding subsections deal with medical certification, the non-conclusive status of visas and other documents, and the penalty for transportation companies which transport to Canada persons who lack the necessary documents.

Subsections (3) and (4) are probably the most important. Subsection (3) provides that every immigrant to Canada must obtain an immigrant visa issued by a visa officer stationed outside of Canada.

At the present time immigrant visas are not required of British subjects born in the United Kingdom, Australia, New Zealand or the Union of South Africa, nor of citizens of Ireland born in Ireland, nor of citizens of France born in France or St. Pierre and Miquelon, nor of citizens of the U.S.A. or persons legally admitted to the U.S.A. who wish to migrate directly to Canada.

This provision in the present Regulations is, of course, subject to the criticism that it discriminates in favour of citizens of the countries mentioned and against those of other countries. It is particularly vulnerable to criticism on the grounds that it grants preferential treatment (waiver of visa) to countries whose populations are essentially white; and that it favours the *old* Commonwealth countries over the *new* ones.

The new provision in subsection (3) places all countries ostensibly on an equal footing by requiring visas in all cases. Subsection (4) then provides that the Minister may exempt certain groups or classes of persons from the immigrant visa requirement and may substitute the requirement of a letter of pre-examination. This letter of pre-examination will serve as a pro-forma visa and will be combined with the medical certificate into a single form so that, in the actual result, the new requirement, as it will affect the presently favoured countries, need not be greatly different from the present requirements.

In the United Kingdom, for example, at the present time a British subject born in the United Kingdom can proceed to Canada with his passport and a valid medical certificate. If the new Regulations are approved, and the Minister, acting under subsection (4) of Regulation 18, exempts British subjects born in the United Kingdom from the visa requirement, such persons will then be free to proceed to Canada with a passport (as at present), together with a letter of pre-examination issued in the United Kingdom – on the reverse side of which will be found the medical certificate presently required of United Kingdom immigrants (see attachment).†

The letter of pre-examination is already used with respect to persons coming forward from the U.S.A. and no change will be involved here. The same form (pre-examination letter on front, medical certificate on reverse side) will be used for U.K. and U.S. immigrants: and it will be possible for the Minister to extend the use of the pre-examination letter, if and when it is desired to do so, to France, Eire, Australia, New Zealand, South Africa and indeed to other countries.

It may be that the new subsections (3) and (4), which will require a visa or a pre-examination letter from citizens of countries not requiring them at present, may give rise to some misunderstanding on the part of the presently preferred countries, if proper explanation is not given in advance of the intent and purpose of the new provisions. Consideration should therefore be given to the desirability of some advance notification to the U.K. and other authorities. In fact, the proposal to equate the pre-examination letter (including the medical certificate) with the visa will have the effect of eliminating the appearance of discriminating in favour of certain countries, *without actually introducing any change of substance and without imposing any real additional inconvenience on the countries previously exempt from visa requirements.*

The only alternatives to the procedures proposed herein would involve the continued maintenance of some elements of discrimination in favour of the countries presently given preferential treatment; or else to relax the immigrant visa requirements to a dangerous extent for other countries.

9. *Regulation 20*: This Regulation is the most important of all. It is the heart of Canada's immigration policy and in its present form is the main source of criticism that our immigration policy has within it concealed elements of discrimination. There is no doubt that this criticism is to some degree justified. The present subsections 20(a) and (b) set out the list of countries from which immigrants may come to Canada fairly freely on the basis of their training, skills,

financial means and job opportunities, without reference to whether or not they have close relatives in Canada, willing and able to sponsor them. It is noteworthy that the countries selected in sections 20(a) and (b) are all, except for South Africa, countries with a predominantly all-white population. So far as Asia, Africa, Central and Latin America (including the Caribbean) and most of the Middle East are concerned, immigration possibilities are dependent almost entirely on the possibility of there being in Canada a close relative who is willing and able to sponsor the proposed immigrant. This means that, from these portions of the globe, an immigrant can only come to Canada under the present Regulations if he has a relative already here. His admissibility is not dependent on his own native ability, his training or skills: in fact, a person from these areas with excellent training and skills, but lacking a close relative in Canada to sponsor his admission, cannot be admitted to Canada except by a special Order-in-Council, waiving the ordinary requirements of the Regulations.

The new draft of Regulation 20 attempts to eliminate the discriminatory features of the present Regulation by omitting all reference to questions of nationality, geography or regions of the world, with the sole exception of Canadian citizens. Canadian citizens, regardless of their previous nationality, are given a preference with respect to the sponsorship of certain classes of relatives, which is not given to any other persons. (See Regulation 20(a)(iv)). This, it is considered, can be justified. Apart from this, all elements of discrimination based on race, nationality, ethnic origin, etc., are eliminated.

The new Regulation 20(a) lays primary stress on selectivity based on skills and qualifications as the main conditions of admissibility, without regard to any other factor. If an applicant can qualify on these grounds and has sufficient means to establish himself in Canada until he finds employment, or alternatively has a firm employment opportunity or plan for self-establishment in Canada, he comes within the admissible classes. (Regulation 20(a) (i), (ii) and (iii).)

Likewise, if a person has the requisite skills and potential ability to establish himself in Canada, he (or she) may also be sponsored by a parent, parent-in-law, or fiancée already in Canada, provided the sponsor is a Canadian citizen. The Canadian sponsor must be able to provide care and maintenance for such immigrant until the latter is able to look after himself. The sponsorship at the Canadian end takes the place of the requirement that the immigrant himself must have sufficient means, or alternatively firm employment or self-employment opportunities. It should be noted that sponsorship by a Canadian citizen does not, in the case of adult or married sons, daughters, sons-in-law or male fiancés, obviate the requirement that the immigrant himself have sufficient skills and training to ensure his establishment in Canada.

While section 20(a) of the new Regulations is based on skills and ability, section 20(b) makes provision for the admission *simultaneously* of the immediate dependents of a person selected to come to Canada under section 20(a). These dependents who are to accompany the bread-winner and head of the family to Canada are limited to the wife and children under 21 years of age.

Section 20(c) of the new Regulations provides for the admission *subsequently* of a somewhat wider list of immediate dependents or close relatives. It applies not only to sponsors who are Canadian citizens but also to persons other than Canadian citizens who have been legally admitted to Canada for permanent residence and who wish to bring forward a mother, father, husband, wife, grandparent, female fiancée or an unmarried minor child.

It is to be noted that the admissible close relatives under subsections 20(b) and (c) are limited to those who are actually or potentially the *real* dependents, and consequently no occupational test of skill or ability is to be applied to them.

The practical effect of the new Regulation 20, if approved, will be as follows:

(a) Brothers and sisters (now admissible as close relatives under present Regulation 20(c)) will no longer be admissible *as close relatives*, although they can always apply in their own right and will be admissible if they possess the necessary skills and training, and means of successful establishment in Canada. This will have a restrictive effect on the movements from countries such as Italy, Greece and Portugal, in particular.

(b) Adult or married children with their families (now admissible as close relatives under present Regulation 20(c)) will no longer be admissible *as close relatives*, *unless* they have a parent in Canada who is a Canadian citizen and is willing and able to sponsor them, and unless they are also possessed of the requisite skills and training. They can, of course, always apply in their own right as well, and, if possessed of the requisite skills and training *and* of the means to establish themselves in Canada, they will be admissible. This will have a restrictive effect on movements from countries such as Italy, Greece, Portugal (and to a lesser extent the Latin-American countries and the West Indies) but will represent a concession to Chinese and other Asians and Africans who have become Canadian citizens.

(c) Male fiancés will henceforth be admissible as close relatives only if they are possessed of the requisite skills and training and if, in addition, they are applied for by a female fiancée in Canada who is a Canadian citizen. This is a restriction on present provisions, since male fiancés do not at present have to pass a skills test or be sponsored by a Canadian citizen. Such persons may of course under the proposed Regulations apply for admission not as fiancés but on the basis of their own skills and ability and will in that event be considered on their merits.

(d) There will be no age restriction henceforth on the admissibility of parents. The present Regulation provides that parents under 60 (mothers) or 65 (fathers) are not admissible in the case of certain countries, e.g. China, Japan, and most other Asian and African countries, as well as Iron Curtain countries and most countries of the Middle East.

(e) Unmarried orphan nephews and nieces will no longer be included among the classes of admissible close relatives, as they are at present under Regulation 20(c). This is a restriction, though not of major importance. Again the new regulations provide that such persons may also be considered for admission on their merits, on the basis of their skills or ability (rather than as nephews or nieces) or alternatively under special circumstances, admission by Order-in-Council could be considered.

(f) Grandparents will under the new Regulations be generally admissible, whereas under the present Regulations they are *not* admissible if they are citizens of most Asian, African, Middle East and Iron Curtain countries. This will have a slightly more generous effect.

10. In summary, it is considered that the chief effects of the proposed new Regulations (particularly Regulations 18 and 20) will be to eliminate all grounds for charges of discrimination; to treat Chinese, Japanese, Indians and other Asians, Africans and nationals of the Middle Eastern countries somewhat more generously than at present; to treat Italians, Portuguese and Greeks, in particular, somewhat less generously; to make it more difficult for persons in Canada to bring to this country a wide range of unskilled relatives; and to place the major emphasis henceforth on the skills, ability and training of the prospective immigrant himself, and on his ability to establish himself successfully in Canada.

11. The new Regulations assume that for all the countries of the world the Canadian immigration authorities will be able to apply the new criteria of admissibility successfully. It should, however, be pointed out that in many of these countries we have no staff of our own: in addition, these tests must inevitably be subjective to a large extent, and this fact places a heavy pressure on our overseas visa officers. It may well be necessary to open new offices in countries where no Canadian immigration officers presently are operative (e.g. West Indies,

Spain, Japan): and to strengthen staff elsewhere, to assume these new and difficult responsibilities.

12. One final problem should be mentioned with respect to the special agreements now existing with India, Pakistan and Ceylon. There should be no need for continuing these agreements, since under the new Regulations no numerical limits will be placed on the numbers of skilled and qualified immigrants admissible from these countries. It may be necessary, however, to consult in advance with these countries, in order to come to a satisfactory understanding as to the termination of these agreements. In the event that any of the countries concerned prefer to continue the present agreements, provision for this can be included in the new Regulations by the addition of a new section 21.

Respectfully submitted,

ELLEN L. FAIRCLOUGH

860.

PCO

Extrait des conclusions du Cabinet

Extract from Cabinet Conclusions

SECRET

[Ottawa], October 18, 1961

Present

The Prime Minister (Mr. Diefenbaker) in the Chair,
 The Secretary of State for External Affairs (Mr. Green),
 The Minister of Finance (Mr. Fleming),
 The Minister of Transport (Mr. Balcer),
 The Minister of Veterans Affairs and Acting Minister of Trade and Commerce (Mr. Churchill),
 The Minister of Justice (Mr. Fulton),
 The Minister of National Revenue (Mr. Nowlan),
 The Minister of National Defence (Mr. Harkness),
 The Minister of Citizenship and Immigration (Mrs. Fairclough),
 The Minister of Fisheries (Mr. MacLean),
 The Minister of Labour (Mr. Starr),
 The Postmaster General (Mr. William Hamilton),
 The Minister of National Health and Welfare (Mr. Monteith),
 The Minister of Agriculture (Mr. Alvin Hamilton),
 The Minister of Defence Production (Mr. O'Hurley),
 The Minister of Public Works (Mr. Walker),
 The Associate Minister of National Defence (Mr. Sévigny),
 The Secretary of State (Mr. Dorion),
 The Minister of Northern Affairs and National Resources (Mr. Dinsdale),
 The Minister without Portfolio (Mr. Halpenny).
 The Secretary to the Cabinet (Mr. Bryce),
 The Assistant Secretary to the Cabinet (Mr. Watters).

...

REVISION OF IMMIGRATION REGULATIONS

(Previous reference March 30)

16. *The Minister of Citizenship and Immigration* said that a proposed revision of Immigration Regulations had been approved by a committee of the Cabinet, subject to some reservations by the Secretary of State for External Affairs.

She outlined the changes and said that they might, in some circles, be interpreted as being anti-British. Advance notice of them should be given to the U.K. and certain other governments.

Revision of the regulations could be made in advance of revision of the Immigration Act and would permit the removal of the first of the two main points of criticism of immigration policies and practices. These were that there was racial or colour discrimination and that there was no provision for appeals to the courts. The second criticism could only be met fully by an amendment to the Act. In the new regulations there were extensive changes dealing with the responsibilities of transportation companies.

Referring to Regulation 20, discussed in paragraph 9 of the document, she said this was the heart of Canada's immigration law and, in its present form, provided the main source of criticism that Canadian immigration law had within it concealed elements of discrimination. The present 20(a) and (b) listed the countries from which immigrants might come to Canada freely on the basis of their training, skills, etc., without reference to their having close relatives in Canada and all the countries so selected had a predominantly white population except South Africa. The new draft attempted to eliminate this discriminatory feature by omitting all reference to questions of nationality, geography or regions of the world, with the sole exception of Canadian citizens. The new regulation put primary stress on selection based on skills and qualifications.

An explanatory memorandum had been circulated, (Minister's memorandum, Oct. 16, with attached Regulations – Cab. Doc. 383-61).

17. *Mrs. Fairclough*, in answer to some concern that was expressed that the new regulations would no longer permit adult or married children to come to Canada with their parents, which might mean the separation of families and would restrict immigration from Italy, Greece and Portugal, said such persons could apply in their own right or could be admitted as exceptional cases by order in council.

She went on to say that male fiancés had been a serious problem for years. They would be admitted henceforth only if they had the requisite skills and training, and if they were applied for by a female fiancée in Canada who was a Canadian citizen. This restriction was necessary because the present regulation was being abused.

In general, the same argument applied to brothers and sisters. They were now admissible as close relatives, but henceforward they would be required to apply in their own right and must possess necessary skills and training. This would restrict immigration from countries such as Italy, Greece and Portugal.

18. *During the discussion* the following points were made,

(a) It was stated that the Immigration Department would probably require more staff and officers abroad to apply the new tests of admissibility.

(b) Special attention would have to be given to the agreements Canada now had with India, Pakistan and Ceylon on quotas from those countries.

(c) Some urged strongly that attempts should be made to put into the regulations, pending a revision of the Act, some provisions improving the appeal procedures and other procedures to make them conform more closely to the spirit of the Bill of Rights.

(d) Some said that the requirement for trades and skills would restrict immigration from Italy, where only the unskilled workers sought to emigrate. Others thought that this was desirable because these unskilled workers could usually find employment in a limited field only and were in fact widely unemployed now in Canada.

19. *The Cabinet* agreed that the proposed Immigration Regulations be sent to the Department of Justice to be put into proper legal form and to have included in them as many beneficial provisions relating to appeals and other procedures called for in the Bill of Rights as would be possible within the authority of the Immigration Act.

R.B. BRYCE

CHAPITRE XII/CHAPTER XII
ÉNERGIE ATOMIQUE
ATOMIC ENERGY

PREMIÈRE PARTIE/PART I
MESURES DE SAUVEGARDE
SAFEGUARDS

861.

DEA/14002-2-6-40

*Le représentant auprès de l'Agence internationale de l'Énergie atomique
au sous-secrétaire d'État aux Affaires extérieures*

*Representative to International Atomic Energy Agency
to Under-Secretary of State for External Affairs*

LETTER NO. 47

Vienna, February 6, 1961

CONFIDENTIAL

Reference: My Telegram No. 18 of January 31.†

IAEA SAFEGUARDS

The discussion of this subject took up eight meetings in the current series of meetings of the Board of Governors. There was nothing in the discussion which suggested that the Soviet bloc or India had in any way modified their implacable opposition to the whole concept of safeguards. On the contrary, I have the feeling that, if the debate on this occasion was conducted in an even more bitter atmosphere than in the past, it was because the opponents of safeguards had been hoping that the new United States Administration would want to review their position and that, until they had had time to do so, the matter would not be pressed to a decision. Rightly or wrongly, the opponents of safeguards regard the principles and procedures which the Board has been engaged in formulating¹ as thoroughly ill-conceived and the Indian representative as much as said that they do not provide a good basis for that new start in the search for world peace for which the new President of the United States had called in his inaugural address.

2. Before the safeguards item was actually discussed in the Board, the Soviet delegation moved that it be deleted from the agenda for the present series of meetings. They and those who supported their motion argued that there was no need for haste, that any agreement on the cessation of nuclear tests would alter the whole context in which the safeguards document had been evolved, and that there would be no difficulty in handling requests for Agency assistance, to the extent that they involved safeguards, on the same *ad hoc* basis on which such requests had been handled in the past. More specifically, they held that the Secretariat had been at fault in not providing the Board with an analytical document on the basis of which the views expressed in the General Conference could be adequately taken into account. Indeed, the Soviet delegation seemed to be going further by suggesting that the Secretariat should itself have come forward with amendments to the safeguards document to reflect those views. There

¹ Voir Volume 27, le chapitre XV./See Volume 27, Chapter XV.

was little difficulty in refuting these arguments in favour of deleting the item from the agenda and the Soviet motion was comfortably defeated by a vote of 17 to 3 with 3 abstentions.

3. This left the way open for a general discussion on the safeguards principles and procedures. By advance agreement among the suppliers' group the United States delegation opened that discussion with a reasonable and conciliatory statement. They said that they had examined all the comments and proposals put forward in the General Conference. They had concluded from that examination that a substantial majority of the membership of the Agency endorsed the principles and procedures to which the Board had given provisional approval. For their part, the United States believed that those principles and procedures represented a reasonable and workable compromise although they appreciated that others regarded them as capable of improvement while still others continued to call for an entirely different approach. It was right for the Board at this stage to put the safeguards document into effect so as to be able to deal with pending requests for Agency assistance and to let all member states know what safeguards they might expect to be attached to assistance which they might seek from the Agency in future.

4. The United States delegation did not think that the system which had been evolved was an unreasonable one or that it was likely to be implemented in an arbitrary fashion. The United States were prepared to apply comparable safeguards in their bilateral transactions and hoped that other members of the Agency would do likewise. It should be remembered, however, that it was the object of the Agency's safeguards to prevent a diversion of Agency assistance to military purposes. The United States did not think, therefore, that an adequate system of safeguards and inspections in relation to international disarmament could be modelled on the Agency's safeguards. They did think, however, that in adopting its own system of safeguards the Agency could provide encouragement for those who were trying to work out solutions to the more complex problems involving the military use of atomic energy.

5. The ensuing discussion afforded the opponents of safeguards one more opportunity of registering their objections to the document that was before the Board for approval and, by implication, to the safeguards concept as such. Although these objections are by now more than familiar to you, it is perhaps worthwhile restating the main line of argument for the record. This is that safeguards are both unnecessary and discriminatory. They are unnecessary in that they are likely to affect only countries which come to the Agency for assistance. Almost by definition these will be countries that are not at a stage where they are capable of producing nuclear weapons. In other words safeguards will be directed towards protecting the world community against risks that are non-existent. In the process, they may dissuade countries that need help from coming to the Agency to meet their requirements. If countries nevertheless do decide to seek assistance from the Agency, they are likely to find that safeguards will inhibit and interfere with their programmes for the peaceful development of nuclear energy. What is more objectionable, however, is that safeguards in their overall effect are bound to be discriminatory. That is because they would divide the world even more sharply into those who are producing nuclear weapons and those who are not, with the former being in a position by means of safeguards to control the latter. If safeguards are to be acceptable, therefore, they must form part of a comprehensive system which would have as its object the cessation of nuclear tests and the banning of the production of nuclear weapons on a basis of universal application.

6. Much was inevitably made in the discussion of that paragraph in the resolution of the General Conference in which the Board had been asked "to take into account as appropriate the views expressed in the General Conference." Those who have consistently opposed the adoption of any safeguards document tried to argue that this resolution called upon the Board to bring the document into line with what had been said at the General Conference. If the

Board did not do so, it would be acting in bad faith. In replying to that argument the proponents of safeguards pointed out that what the Board had been invited to do was to take the views of the General Conference into account "before giving effect to this document." "This document" was the document that had already been given provisional approval by the Board and it was quite clear from the discussion in the General Conference that the majority of member states did not intend that fundamental changes should be made in it. Apart from fundamental changes, the one point on which there appeared to have been a disposition in favour of some relaxation was in relation to exemption limits for source material. That was a point to which we had given some thought and on which an amendment had been tabled by the delegation from the Union of South Africa.

7. I think it was clear to the other side throughout that discussion that there was a substantial majority in the Board which was prepared to vote in favour of putting the safeguards document, as revised in the course of our meetings, into effect. The delegations of the Soviet bloc tried to argue that this was an unrepresentative majority and spoke of terms being dictated to the membership of the Agency at large at the behest of the United States. The Indian delegation adopted a somewhat different line, urging the proponents of safeguards not to be inflexible and to avoid doing anything that might give rise to dissension and have detrimental effects on the work of the Agency. They thought that it would be contrary to the spirit of the General Conference resolution to give final approval to a document that had generated such strong opposition and appealed for respect for the views of the minority.

8. At the end of the general debate the Board was faced with two procedural motions. The first of these, which was tabled by the Soviet delegation, would have set up a special committee of the Board to draw up a new document which would take into account all the views that had been put forward in the General Conference and be as widely acceptable as possible. That motion was defeated by 16 votes to 5 with 2 abstentions. The second motion was tabled by India and proposed that all votes on the safeguards item be deferred until the April series of meetings. It, too, was defeated by 16 votes to 6 with 1 abstention.

9. When these procedural motions had been disposed of, the Board turned its attention to document GOV/676. This contained a proposal by India and Ceylon which was in all respects identical with a proposal which India had joined with four other countries in putting before the General Conference. As the Indian delegation explained, that proposal was based on two guiding principles: that safeguards were required by the Agency's Statute and that it was the Agency's main function to develop the world's resources of nuclear energy for the maximum benefit of all countries. The Indian proposal had not been put to the vote at the General Conference and when it appeared that no account was likely to be taken by the Board of the views expressed at the General Conference, the Indian delegation had concluded that it would be useful for them to reintroduce that proposal in the Board. It was a proposal which, in their view, provided for an adequate system of safeguards bearing in mind that such a system would apply only to countries which needed assistance from the Agency and whose current state of industrial development made it impossible for them to produce nuclear weapons. After a relatively short debate, the proposal submitted by India and Ceylon was defeated by 17 votes to 6.

10. With the defeat of that proposal the Board was free to revert to the basic safeguards document, GC(IV)/108/Rev.1, to which no fewer than 28 amendments had been tabled. One of these was the South African amendment (GOV/659) which was adopted by 17 votes in favour, none against, with 6 abstentions. In introducing the amendment, the South African representative covered all the points which we regarded as being open to ambiguity and the record makes it clear that the Board, in adopting the amendment, did so on the basis of the

interpretation provided by him in his introductory statement. The relevant extracts from the record are reproduced in Annex I to this letter.†

11. The remaining 27 amendments were tabled by the Soviet Union, Poland and Bulgaria. They are set out in documents GOV/673, 674 and 675. With one or two exceptions these were substantial amendments and their cumulative effect would have been to emasculate the safeguards document. Since they were also amendments which had been proposed at previous stages in the Board's consideration of this matter, it was the inclination of the Canadian delegation to dispose of them as a group rather than to deal with them individually on their merits. This view did not, however, commend itself to a majority of the other suppliers and it was accordingly agreed to allocate each amendment to be dealt with by one member of the suppliers' group. It was also agreed that at least one of the Soviet amendments and possibly another could be supported without detriment to the safeguards document. This course was urged particularly by the United States delegation who were clearly anxious not to appear to be opposing all Soviet amendments merely because they had been put forward by the Soviet delegation. As was inevitable in a very long debate, however, our side fell into some degree of disarray and a few amendments gained acceptance which should probably have been rejected. In line with your instructions the Canadian delegation voted against all the Soviet bloc amendments except a technical amendment to paragraph 56 of document GC(IV)/108/Rev.1 for which there was unanimous support in the Board.

12. The amendments made by the Board in the course of its discussion of the safeguards document are set out in document GOV/679. While this might give the impression of a substantial number of amendments having been made, the fact is that a number of these are drafting amendments or amendments that are consequential upon the adoption of the South African amendment concerning minimum quantities.

[13.] When the Board had completed its consideration of the amendments, it proceeded with the passage of the draft resolution set out in document GOV/671 the object of which it was to give effect to the safeguards document as amended. The resolution, of which Canada was a co-sponsor, was adopted on a roll-call vote by 17 votes to 6 (Bulgaria, Ceylon, India, Iraq, Poland, Soviet Union). A copy of that resolution, as passed by the Board on January 31, is reproduced in Annex II to this letter.† This formally completed the Board's action on the formulation of principles and procedures for the application of Agency safeguards.

[14.] At the conclusion of the debate on safeguards there was a brief discussion on the question of the recruitment of inspectors which still remains to be settled. It was clear, however, that a majority of delegations were not prepared to enter into a substantive discussion of this question at this time and it was agreed, therefore, to insert an appropriate item in the agenda for the Board's next series of meetings in April. In the meantime, it was agreed that the Director General might informally and without commitment study the problem of action to be taken as a result of the Board's decision on safeguards, one such problem being the appointment of a Director of the Division of Inspection.

[M.H. WERSHOF]

862.

DEA/14002-2-6-40

*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 1460

Paris, June 14, 1961

CONFIDENTIAL

Reference: Our Tel 1459 Jun 14.†

Repeat for Information: London, Washington, Paris, Geneva, Vienna from London.

MEETING OF WESTERN NUCLEAR SUPPLIERS

Following is text of the agreed draft summary note of conclusions: Text Begins:

“1. *Introduction:*

USA Ambassador welcomed the group. The Chairman said that purpose of the meeting was to enable a frank and informal discussion and exchange of views on problems of common interest. Any decisions indicated as a result of the discussions would be for governments, and the discussions were entirely ad referendum.

2. *Uniformity in Practice Regarding Bilateral Safeguards:*

During an extensive discussion of this item there appeared to be broad agreement among the participants that they would recommend to their governments that they should continue to follow generally uniform safeguards practices so long as there is no repeat no break in practice by others of the Western suppliers and so long as USSR does not repeat not emerge as a significant supplier of non-safeguarded materials and equipment outside the bloc.

It was recognized with respect to both materials and equipment that serious effects could follow from a lack of uniformity in safeguards practice for sale under bilateral arrangements, Euratom, ENEA or the IAEA. Practices inconsistent with those established by the IAEA would undercut the effective operation of the IAEA principles and procedures of supply under safeguards. They would also adversely affect the competitive position of other countries in a market in which the supply greatly exceeds foreseeable demand for some years.

The general situation therefore seems unchanged since the discussions in May 1959.² It was recognized that there are numerous uncertainties in the present situation and that imminent events, e.g. the Indian reactor submission of tenders,³ may change the entire complexion of bilateral safeguards practice. However, so long as there is no repeat no wide divergence in practice from uniform safeguards application, continuation of present practice despite existing uncertainties was recognized to be of considerable importance. IAEA principles and procedures (insert INFCIRC/26) have just been adopted and an opportunity should be given to gain experience with these procedures.

It was pointed out that it would be desirable for members of the group, in continuance of present informal practice, to exchange information from time to time about (a) exports by themselves or other friendly countries of nuclear equipment and materials for peaceful purposes and the safeguards arrangements which have been made, and (b) activities of Soviet bloc countries in this field.

² Voir/See Volume 26, document 474.

³ Voir le chapitre IV, 3^e partie, (c) (ii)/See Chapter IV, Part 3 (c) (ii).

The only position taken by French representatives was to reiterate that there has been no repeat no change in their position, which is to consider each situation on a case-by-case basis, as has been their practice since the May 1959 discussions of the group. They were not repeat not prepared at this time to enter into commitments regarding uniform practice.

3. Measures to Promote Stability Within Industries Affected by Safeguards:

At the suggestion of Australian representative (whose government had originally proposed this agenda item,) it was agreed that discussion of this item would be deferred until some later date.

4. Registration of Bilateral Transfers with the IAEA:

As a result of discussion on this item, it was decided to defer, for the present, steps to establish a registration system within the IAEA. Although some participants agreed in principle that the objective of such a system was worthy of consideration, numerous practical difficulties were seen. These included at the present time:

- (a) difficulty of selection of items to be included,
- (b) difficulty of reconciliation with British Commonwealth practice of not repeat not registering with any international organization the bilateral transactions between Commonwealth countries,
- (c) introduction of additional formality into bilateral transactions,
- (d) necessity of securing agreement of recipient countries for establishment of arrangements for registration system,
- (e) desirability of allowing agency to obtain experience in operating the safeguard system as now formulated before additional practices are added.

5. Specialized Equipment and Non-Nuclear Material:

After extensive discussions and statements of the views of the participants, it was recognized that specialized equipment should attract safeguards no repeat no less than natural and enriched uranium. Entire major facilities, such as power reactors, chemical processing plants, and fuel fabrication plants, should clearly be subject to safeguards. French representative pointed out that the position taken on item 2 above would also govern this item.

Definition of those major components which might attract safeguards present more difficult problems. There was disagreement as to the importance and feasibility of attaching safeguards to sales of certain materials (heavy water, tritium) with special or virtually exclusive nuclear applications. Further consultation and exchanges of view on these items will be required as the necessity arises.

It appeared impractical and unnecessary to attempt application of safeguards to sales of minor components or to sales of components or materials (e.g. monazite and thorium) when furnished as normal items of commerce for non-nuclear applications.

6. Future Considerations:

There was general agreement that a similar informal exchange of views on the matters considered at the present meeting would be profitable at an appropriate date in about six months. It was further agreed that the participants would informally consult each other at the time of the September meetings of the IAEA Board of Governors with a view to setting a date for a future meeting. At the same time, the participants would further consult informally on the desirability of inviting additional countries supplying nuclear materials or equipment to participate in the next meeting." Text Ends.

INDEX

A

- ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE (GATT) : CONFÉRENCE SUR LES TARIFS DOUANIERS ET CYCLE DE DILLON, 298-326; *voir aussi* Commission royale sur les publications (Commission O'Leary); dindes; Royaume-Uni (relations économiques avec l'Europe et adhésion à la CEE); tarifs douaniers, catégorie ou type de dispositions blé, 317-320, 322-323; consultations Canada-CEE, 316; consultations et négociations Canada-États-Unis 317-318, 323-325; liste de demandes de la CEE, 302-312, 315; ouverture et perspectives du cycle de Dillon, 313-314, 320-322; politique agricole de la CEE, 298-299; rapports d'étape sur les négociations, 308-309, 325-326; représentations du Canada dans les capitales de la CEE, 299-301; réunions du Comité interministériel sur la politique du commerce extérieur, 308-309
- AFRIQUE, AIDE AUX ÉTATS FRANCOPHONES EN, 1381-1391; *voir aussi sous* Ghana (projet du fleuve Volta); programme d'aide aux pays africains membres du Commonwealth (spécial) consultations Canada-Québec concernant, 1385-1387; coût, 1382-1385, 1389, 1391; professeurs, mise à disposition de, 1388-1391; programme de bourses d'études et de perfectionnement du Commonwealth, rapport avec, 1381, 1383-1384
- AFRIQUE DU SUD, EFFET DU RETRAIT DU COMMONWEALTH, 941-958; *voir aussi sous* Nations Unies (Assemblée générale, reprise de la 15^e session — apartheid en Afrique du Sud), (Assemblée générale, 16^e session — instructions à la délégation canadienne), (élections au Conseil de sécurité), (apartheid en Afrique du Sud); réunion des premiers ministres du Commonwealth, Londres (8 au 17 mars) (discussions et répercussions de la réunion), (politique préparatoire à la réunion concernant la participation de l'Afrique du Sud) citoyenneté, 945-946, 952-953; commerce 942-943, 957; communications, 944-945; correspondance Green-Sandys, 951-952, 954-958; défense, 944; exportation d'équipement militaire, 943-944, 957; garanties concernant les matières nucléaires, 944; immigration, 946, 953, 957; position du Royaume-Uni, 951-952, 954-955; programme de bourses d'études du Commonwealth, 945, 957; relations diplomatiques, 942-943; situation intérieure en Afrique du Sud, 947-950
- AGENCE INTERNATIONALE DE L'ÉNERGIE ATOMIQUE (AIEA) : GARANTIES, 1410-1415; *voir aussi sous* Afrique du Sud, effet du retrait du Commonwealth; Inde (garanties relatives aux matières nucléaires canadiennes) politique de l'OTAN sur un accord bilatéral de garanties, 1414-1415; position : du Canada, 1413; des États-Unis, 1411; de l'Inde, 1410, 1413, 1412; de l'URSS, 1410-1413; réunions du Conseil des gouverneurs concernant, 1410-1413
- AIEA : *voir* Agence internationale de l'énergie atomique
- AIRE DE LANCEMENT DE FUSÉES DE FORT CHURCHILL, 658-659
- ALGÉRIE : *voir sous* France (rencontre Dupuy-de-Gaulle); Tunisie, visite du premier ministre à Ottawa (1^{er} au 3 mai)
- ALLEMAGNE DE L'EST (RÉPUBLIQUE DÉMOCRATIQUE ALLEMANDE) : *voir sous* crise de Berlin; Japon (visite du premier ministre au Japon (27 au 31 octobre)); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)
- ALLEMAGNE DE L'OUEST (RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE) : *voir sous* crise de Berlin; Japon (visite du premier ministre au Japon (27 au 31 octobre)); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)
- ANGOLA : *voir sous* Nations Unies (Assemblée générale, 16^e session — instructions à la délégation canadienne); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo))
- ARGENTINE : *voir sous* Cuba
- ARMES NUCLÉAIRES; *voir aussi sous* crise de Berlin; désarmement; États-Unis (accord sur l'échange d'aéronefs), (relations Canada-États-Unis), (visite du premier ministre à Washington (20 février (visite du président à Ottawa (16 au 18 mai))); France (rencontre Dupuy-de-Gaulle); Israël, visite du premier ministre à Ottawa (24 et 25 mai); Japon (visite du premier ministre au Japon (27 au 31 octobre)); Nations Unies (Assemblée générale, 16^e session — entretien Green-Rusk, instructions à la délégation canadienne, radiation); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Royaume-Uni (visite du premier ministre à Ottawa (10 au 11 avril)) acquisition par les Forces canadiennes et entreposage dans des bases louées au Canada, 563-618 accords sur les survols de MB-1, 570; annexes des accords relatifs aux ogives, 596-597, 601; armes anti-sous-marines, 567-569, 576, 579, 581, 601; arsenaux en Europe, 567-569, 576, 579-581; BOMARC, 567-568, 576, 579, 601, 603-606, 608, 612-614, 617-618; consultations entre le ministère de la

Défense nationale et le ministère des Affaires extérieures concernant le projet d'accord sur l'acquisition, 585-588, 594-595; contrôles de l'entreposage et de l'utilisation, 566-569, 577-578, 582-589, 593, 598, 600-610; correspondance Harkness-Green, 573, 578, 584-585, 588-590, 596; crise de Berlin, rapport avec la, 605, 607; désarmement, rapport avec le, 573-575, 578, 605-609, 615-617; discussion de la CPMD, 563-564, 571-572; ébauche d'aide-mémoire aux États-Unis concernant les négociations, 611; énoncé de politique du Canada, 564-565; note du Canada aux États-Unis (27 septembre) concernant les améliorations à la défense continentale, 612-615; opinion publique, 575, 606, 608-609; projet d'accord d'acquisition par les Forces canadiennes, 565-572, 582-584, 588-593, 600-610; projet d'accord d'entreposage aux bases de Goose Bay et d'Harmon, 563-564, 567, 570-571, 575, 577-579, 581, 594, 596; proposition d'un accord « global », 578-580, 582-584, 595-596; rencontres Diefenbaker-Kennedy, préparatifs et rapports des, 574-578, 596; retard du Cabinet à autoriser les négociations avec les États-Unis, 617-618; utilisation du NORAD, 568-569, 604, 608

politique de l'OTAN, 466-496

consultations du Canada avec : SACEUR, 486-488; le Secrétaire général de l'OTAN, 495-496; contrôle de l'utilisation, 471-472, 474, 476-477, 484-485, 487-489, 491, 493-496; crise de Berlin, rapport avec la, 480; désarmement, rapport avec le, 467; discussion du Conseil de l'OTAN, 469-472, 475-478; discussion interministérielle, 478-481; financement, 491-492; force multilatérale des MBMP, 469-472, 477-478, 487-488; planification à long terme, 486-494; position : du Canada, 468-469, 489; des États-Unis, 483-486, 488, 490, 493; du SACEUR, 469-472, 475-478, 490-491

AUSTRALIE : *voir sous* Chine, République populaire de : vente de blé à la; réunion des premiers ministres du Commonwealth, Londres (8 au 17 mars) (politique préparatoire à la réunion concernant l'appartenance de l'Afrique du Sud); Royaume-Uni (relations économiques avec l'Europe et adhésion à la CEE)

B

BELGIQUE : *voir sous* Congo, crise politique; crise de Berlin

C

CAE : *voir* Règlement sur le contrôle des avoirs étrangers

CARAÏBES, AIDE AUX ANCIENS TERRITOIRES BRITANNIQUES DANS LES, 1019-1025

appartenance des États des Caraïbes à l'OEA, 1019-1020; discussion du Cabinet, 1024-1025; dispositions du plan de Colombo, application des, 1022-1023; formes de l'aide canadienne, 1021-1022; programme d'aide des États-Unis, 1019-1020

CCEC : *voir* Conseil consultatif économique du Commonwealth

CEE : *voir* Communauté économique européenne

CEYLAN : *voir sous* Plan de Colombo (réunion du Conseil consultatif (Kuala Lumpur, 13 au 17 novembre))

CHINE, RÉPUBLIQUE POPULAIRE DE : VENTE DE BLÉ À LA, 1262-1297; *voir aussi sous* États-Unis (visite du premier ministre à Washington (20 février)), (visite du président à Ottawa (16 au 18 mai)); Japon (visite du premier ministre à Ottawa (25 et 26 juin)); Royaume-Uni (visite du premier ministre à Ottawa (10 et 11 avril)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)

Australie, exportations de blé en Chine, 1266, 1268, 1271-1273; conventions d'achat et modalités de crédit, 1264-1272, 1274, 1281-1289, 1292-1294, 1296-1297; discussion du Cabinet, 1270-1272, 1285-1289, 1296-1297; don de blé, 1264-1272; entretiens Diefenbaker-Kennedy concernant, 1274-1275; famine en Chine, 1279-1281, 1297; mission commerciale de la China Resources Company, 1262-1264; missions de la Commission canadienne du blé en Chine, 1282-1285, 1291-1294; règlements sur le contrôle des avoirs étrangers et approvisionnement en mazout, 1267, 1274-1278, 1294-1296

CIPCE : *voir* Comité interministériel sur la politique du commerce extérieur

CISC : *voir* Commissions internationales de surveillance et de contrôle

COMITÉ INTERMINISTÉRIEL SUR LA POLITIQUE DU COMMERCE EXTÉRIEUR (CIPCE) : *voir sous* Accord général sur les tarifs douaniers et le commerce

COMITÉ MIXTE CANADA-ÉTATS-UNIS SUR LES AFFAIRES COMMERCIALES ET ÉCONOMIQUES, 661-673; *voir aussi sous* Cuba; règlement sur le contrôle des avoirs étrangers

sujets abordés : commerce cubain, 671-673; règlement sur le CAE et approvisionnement en mazout, 667-670; sujets d'information préparatoires à la réunion : balance des paiements, 662; commerce cubain, 664-666; commerce Est-Ouest, 663; Food for Peace, 663-664; Loi sur les accords commerciaux des États-Unis, 662; plomb et zinc, 663;

- règlement sur le CAE et approvisionnement en mazout, 664; restrictions agricoles, 662
- COMITÉ SCIENTIFIQUE DES NATIONS UNIES POUR L'ÉTUDE DES EFFETS DES RAYONNEMENTS IONISANTS (UNSCEAR) : *voir sous* Nations Unies (Assemblée générale, 16^e session — radiation)
- COMMANDANT SUPRÊME DES FORCES ALLIÉES, EUROPE (SACEUR) : *voir sous* Armes nucléaires (politique de l'OTAN)
- COMMISSION PERMANENTE MIXTE DE DÉFENSE (CPMD) : *voir sous* Armes nucléaires (acquisition par les Forces canadiennes et entreposage dans des bases louées au Canada)
- COMMISSION ROYALE SUR LES PUBLICATIONS (COMMISSION O'LEARY), 681-707
 circulaires et catalogues de publicité, 686-687; Comité du Cabinet sur le Rapport O'Leary, 702-707; conclusions et recommandations de la Commission, 681-690; consultations Canada-États-Unis, 690-691; éditions spéciales ou à tirage dédoublé de périodiques américains au Canada, 681-682; note de protestation des États-Unis (19 juin), 693-694; note de protestation des États-Unis (4 août), 697-699; obligations découlant du GATT, 687-688, 698-699, 703, 707; publicité et déductions d'impôt, 683-685; *Reader's Digest* et *Time*, incidence des propositions budgétaires et représentations auprès du gouvernement du Canada, 691-695, 700-707; représentations de la Periodical Press Association, 695-697
- COMMISSIONS INTERNATIONALES POUR LA SUPERVISION ET LE CONTRÔLE (CISC) : *voir sous* Laos (Conférence de Genève sur le Laos), (réactivation de la CISC du Laos, négociations en vue de la); Vietnam (activités de la CISC), (présence et aide des États-Unis au Vietnam du Sud)
- COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE, VISITE DU COMMISSAIRE À OTTAWA (13 au 18 juin), 1044-1047; *voir aussi sous* Accord général sur les tarifs douaniers et le commerce; États-Unis (visite du président à Ottawa (16 au 18 mai)); Irlande, visite du premier ministre à Dublin (5 au 7 mars); Japon (visite du premier ministre au Japon (27 au 31 octobre)); Royaume-Uni (relations économiques avec l'Europe et adhésion à la CEE), (visite du premier ministre à Ottawa (10 et 11 avril)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)
- CONGO, CRISE POLITIQUE, 1-88; *voir aussi sous* États-Unis (visite du premier ministre à Washington (20 février)), (visite du président à Ottawa (16 au 18 mai)); Irlande, visite du premier ministre à Dublin (5 au 7 mars); Nations Unies (Assemblée générale, 16^e session — entretien Green-Rusk; instructions à la délégation canadienne); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), réunion ministérielle (13 au 15 décembre, Paris)); Tunisie, visite du premier ministre à Ottawa (1^{er} au 3 mai); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)
- aide canadienne à la formation militaire, demande du Congo d'une, 65-66, 80-84, 87-88; Cinquième Commission et financement de l'ONUC, 39-42; Comité consultatif du Congo, 8-9, 25, 27-31, 76-77; Conférence de Casablanca, 3, 5-6; Conférence de Tananarive, 27-31, 33; consultations du Canada avec : la Belgique, 9, 47-48; les États-Unis, 10-11; le président Kasavubu, 29-34; le Secrétaire général de l'ONU, 27-28; correspondance Diefenbaker-N'Krumah, 42-46, 48; délibérations du Conseil de sécurité, 4, 14, 19-24, 61-65, 68-70; désarmement des forces congolaises, 13; discussion de l'OTAN, 1-4; emprisonnement et mort de Lumumba, 8-9, 14, 21, 35; gouvernement de Gizenga, reconnaissance du, 15, 17, 21-22, 34, 44; incursion du Ruanda-Urundi, 1-6; installations de l'Union minière au Katanga, 74-76; Katanga, détérioration du conflit au, 64-65, 69-70, 73-77; mercenaires, 19, 49-50, 61-62, 64, 67-68, 73-76; mort de Hammarskjöld, 50-52; ONUC, contributions du Canada à l', 18-19, 53-60, 70-72, 84-87; position : de la Belgique, 1-5, 9, 13, 20, 23-24, 34-35, 47-48; du bloc afro-asiatique, 4, 15-16, 19-24, 42, 61-64; du Canada, 4-8, 11-12, 24, 29-32, 46, 66-67, 73-76; des États-Unis, 10-11, 18, 20, 23, 64, 68, 76-77; du Ghana, 22, 42-43, 48; de l'Inde, 20, 22, 25, 42-43; du Royaume-Uni, 12, 22-23, 68; de l'URSS, 1-2, 15-16, 23, 40-41; prisonniers politiques, 11, 15; résolutions de l'AGNU, 34-35; secrétaire général, rôle du, 15-17, 23-24; 27-29; 35-38; troupes belges, retrait de Katanga, 19, 21, 47, 51-52; visite de la délégation congolaise au Canada, 77-80
- CONSEIL CONSULTATIF ÉCONOMIQUE DU COMMONWEALTH (CECC) : *voir sous* Royaume-Uni (relations économiques avec l'Europe et adhésion à la CEE)
- CONSEIL ÉCONOMIQUE ET SOCIAL (ECOSOC) : *voir sous* Nations Unies (Assemblée générale, 16^e session — instructions à la délégation canadienne)
- CORÉE DU SUD (RÉPUBLIQUE DE CORÉE) : *voir sous* Japon (visite du premier ministre à Ottawa (25 et 26 juin)), (visite du premier ministre au Japon (27 au 31 octobre)); Nations Unies (Assemblée générale, 16^e session — instructions à la délégation canadienne); plan de Colombo (réunion du Comité consultatif (Kuala Lumpur, 13 au 17 novembre))
- CPMD : *voir* Commission permanente mixte de défense

CRISE DE BERLIN, 341-465; *voir aussi sous* armes nucléaires (acquisition par les Forces canadiennes et entreposage dans des bases louées au Canada), (politique de l'OTAN); désarmement (Crise de Berlin, relativement à la); États-Unis (visite du président à Ottawa (16 au 18 mai)); France (rencontre Dupuy-de Gaulle); Japon (visite du premier ministre au Japon (27 au 31 octobre)); Nations Unies (Assemblée générale, 16^e session — entretien Green-Rusk); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)

aide-mémoire de l'URSS sur Berlin et l'Allemagne, 345-346; Allemagne de l'Est, reconnaissance de l', 351, 354, 366, 375-376, 381-383, 387, 395, 403-404, 407-409, 417, 423-424, 433; armes nucléaires, 353, 361, 365-370, 376, 379, 383, 438, 441-442, 447-448, 451-452; consultations Allemagne de l'Ouest-URSS, 343-344; consultations du Canada avec : l'Allemagne de l'Ouest, 448-449; les États-Unis, 355-356, 392-395, 407-409, 424-426, 451-452; la France, 341-343; le Royaume-Uni, 398-400, 409-410, 458-459; le Secrétaire général de l'OTAN, 418-422; l'URSS, 347-350; consultations interministérielles, 357-362; contre-mesures économiques, 386-387, 392-393, 411-417, 421-422, 450-451, 453-454, 458-465; déclarations de Diefenbaker, 353-354, 400-402, 425-426; désarmement, rapport avec, 350, 408; discussion du Conseil de l'OTAN, 370-375, 378-379, 414-417, 436-437, 461-462; état de préparation militaire et mesures d'urgence des États-Unis, 363-365, 367, 373, 375-376, 378-380, 388; internationalisation de Berlin, 427-430; 434-435, 444-445; mesures de contrôle de l'Allemagne de l'Est à Berlin, 376-378, 384; mesures de défense du Canada, 388-391; note de l'URSS (23 août) sur Berlin et l'Allemagne, 396-397; position : de l'Allemagne de l'Ouest, 354, 379, 384-385, 399, 427-428, 448-449; de la Belgique, 372; du Canada, 352-353, 357-362, 373-374, 391-392, 409-410, 423-424, 437-439, 443-445, 455-457, 460, 463-465; des États-Unis, 355-357, 363-365, 378-379, 384-387, 393-395, 398-400, 402-406, 425-426, 442, 451-452; de la France, 341-343, 379, 384-385, 394, 399, 405-406, 452; de l'Italie, 354; du Royaume-Uni, 379, 384-385, 398-400, 405-406, 442, 452; de l'URSS, 343-344, 347-350, 439-441; proposition canadienne d'un règlement négocié, 406-407, 417-418; rôle de l'ONU, 353, 367, 374, 427-430, 434-435, 444-446, 448-449

CUBA, 1322-1380; *voir aussi sous* Comité mixte Canada-États-Unis sur les affaires commerciales

et économiques; Nations Unies (Assemblée générale, 16^e session — élections au Conseil de sécurité); Nations Unies (relations Canada-États-Unis), (visite du premier ministre à Washington (20 février)), (visite du président à Ottawa (16 au 18 mai)); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Tunisie, visite du premier ministre à Ottawa (1^{er} au 3 mai); visite du premier ministre à Ottawa (10 et 11 avril)

ambassadeur du Canada à Cuba, nomination de l', 1329; apaisement des tensions, propositions du Canada quant à l', 1364-1373; articles dans la presse cubaine sur le Canada, 1357-1358; bons offices du Canada à Cuba, propositions concernant, 1374-1375; consultations du Canada avec : le Chili, 1367, 1373-1376; Cuba, 1340-1341; les États-Unis, 1322-1323, 1331-1333, 1341-1345, 1350-1356, 1358-1359, 1362-1363; Israël, 1325; la Pologne, 1354-1355, 1361-1362; la Yougoslavie, 1332; discussion de l'OTAN, 1349-1350, 1357-1358, 1360; discussion du Cabinet, 1329, 1356-1357; discussion Green-Rusk, 1358-1359; discussion Heeney-Rusk, 1344-1345; invasion et activités contre-révolutionnaires, 1330-1340; offre de « médiation » de Green, 1362-1363, 1367, 1373-1374; position : de l'Argentine, 1326-1327, 1351-1352; du Canada, 1349-1350, 1356-1362; du Chili, 1367, 1375-1376; de Cuba, 1340-1341; des États-Unis, 1322-1323, 1331-1333, 1341-1345, 1350-1355, 1358-1359, 1362-1363; de la Pologne, 1354-1355, 1361-1362; intentions et présence de l'URSS à Cuba, 1332, 1335, 1376-1380; Yougoslavie, 1332; règlement sur le CAE et embargo économique, 1327-1329, 1345-1347, 1353-1357; rupture des relations avec les États-Unis, 1322-1325; situation politique nationale, 1323-1325, 1330-1340

D

DÉRIVATION DE CHICAGO, 729-736

consultations entre le Canada et les États-Unis, 734-736; dossiers de la Cour suprême des États-Unis, 729-730; ébauche de la note du Canada, 730-732

DÉSARMEMENT, 147-195; *voir aussi sous* armes nucléaires (acquisition par les Forces canadiennes et entreposage dans des bases louées au Canada), (politique de l'OTAN); crise de Berlin; États-Unis (accord sur l'échange d'aéronefs), (relations Canada-États-Unis), (visite du premier ministre à Washington (18 janvier)), (visite du premier ministre à Washington (20 février)), visite du président à Ottawa (16 au 18 mai); Nations Unies (Assemblée générale, 16^e session — instructions à la délégation canadienne);

Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)); Royaume-Uni (visite du premier ministre à Ottawa (10 et 11 avril)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)

Comité sur le désarmement, expansion du, 147-148, 151-152, 161-162, 165, 169-170; conférence de Genève sur les essais nucléaires, 154-155, 189-191; consultations du Canada avec : les États-Unis, 156-157, 164, 169-171, 177-178, 186-187; correspondance Diefenbaker-Macmillan, 191-192; crise de Berlin, rapport avec la, 156-157; débat de la Première Commission, 152-153; délibérations de l'AGNU, 192-195; opinion publique, 168-169; position : du Canada, 148-151, 155, 158-164, 173-174, 179-180, 182-183, 191-192, 195; des États-Unis, 147-148, 156-159, 169-171, 175-178, 182, 186-188; de la France, 152-153, 176; du Royaume-Uni, 182, 185-186; de l'URSS, 147-148, 151-152, 157-158, 188; projet de traité de l'URSS sur les essais nucléaires, 189-191; reprise des essais nucléaires par l'URSS et les États-Unis, 157-159; résolution de non-prolifération de l'Irlande, 163, 174, 180-182; résolution de non-prolifération de la Suède, 171-180, 182-188, 194-195; résolution des six puissances sur la bombe de 50 mégatonnes, 166-169; résolution États-Unis-URSS concernant la reprise des pourparlers sur le désarmement, 192-195

DINDES, 723-727

consultations Canada-États-Unis, 723-725; justification du prix des dindes canadiennes, 726-727; obligations découlant du GATT, 723-725; quota d'importations sur les dindes en provenance des États-Unis, 724-726

DROIT DE LA MER, 89-147; voir aussi sous Union des Républiques socialistes soviétiques (pêcheries du flétan du Pacifique, entrée dans les)

action unilatérale par le Canada, incidence possible de l', 118, 131-134, 140-141, 146-147; conférence de la Haye sur les questions relatives à la pêche, 107-108, 111; consultations du Canada avec : les États-Unis, 103-105, 125-126, 134, 137-147; la France, 109-110; le Royaume-Uni, 123-124, 129-130; droits de pêche préférentiels, 91-92, 98, 121, 130-131, 141; mer territoriale de 12 milles, 91, 99, 106-107, 122, 125, 138, 140, 143-145; position : du Canada, 94-95, 100-102, 105-107; des États-Unis, 103-105, 115-116, 125-126, 134-135, 137-147; de la France, 109-112, 120-121, 130-131, 135, 140-141; du Japon, 105-108, 111, 114, 119-120, 136-137; des nations de l'Amérique latine, 110; de la Norvège, 112, 114, 120-121; du Royaume-Uni, 92-93, 111-113, 116-117, 136; de

l'URSS, 106-107; proposition « six plus six » du Canada et des États-Unis, 89-90, 96-98, 101-106, 109-111, 115-116, 138-139, 143-144; sondage Canada-Royaume-Uni appuyant une convention multilatérale : phase préliminaire, 89-105, 109-123; deuxième phase, 112-114, 117, 120-131

E

ECOSOC : voir Conseil économique et social

ÉTATS-UNIS; voir aussi sous Accord général sur les tarifs douaniers et le commerce : Conférence sur les tarifs douaniers et cycle de Dillon; Agence internationale de l'énergie atomique : garanties; aire de lancement de fusées de Fort Churchill; armes nucléaires (acquisition par les Forces canadiennes et entreposage dans des bases louées au Canada), (politique de l'OTAN); Caraïbes, aide aux anciens territoires britanniques dans les; Chine, République populaire : vente de blé à la; Comité mixte Canada-États-Unis sur les affaires commerciales et économiques; Commission royale sur les publications (Commission O'Leary); Congo, crise politique; crise de Berlin; Cuba; dérivation de Chicago; désarmement; dindes; droit de la mer; Exercice Sky Shield II; Fleuve Columbia; France (rencontre Dupuy-de-Gaulle); importations à faible coût en provenance du Japon et de Hong Kong; Israël, visite du premier ministre à Ottawa (24 et 25 mai); Laos (Conférence de Genève sur le Laos), (réactivation de la CISC du Laos, négociations en vue de la); Nations Unies (Assemblée générale, 16^e session — entretien Green-Rusk, radiation, élections au Conseil de sécurité); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (13 au 15 décembre, Paris)); pétrole; Plan de Colombo (réunion du Comité consultatif (Kuala Lumpur, 13 au 17 novembre)); Royaume-Uni (relations économiques avec l'Europe et adhésion à la CEE), (visite du premier ministre à Ottawa (10 et 11 avril)); tarifs douaniers, catégorie ou type de dispositions; Vietnam (activités de la CISC), (présence et aide des États-Unis au Vietnam du Sud)

accord sur l'échange d'aéronefs, 629-659

annulation du CF-105, rapport avec l', 639-640; armement nucléaire ou classique pour l'aéronef F-101B, 644-652, 655, 657-658; contreproposition des États-Unis quant à l'accord sur l'échange (F-101B/F-104G/Pinetree Line), 633-636; déclaration publique du Canada concernant, 656-659; désarmement, rapport avec le, 657-658; dispositions de l'accord final, 654-659; entretiens Diefenbaker-Kennedy concernant, 650-651; rejet par les États-Unis de la proposition originale du Canada sur l'échange (CL-44/F-101B/Pinetree Line), 629-633; titre de

- l'aéronef F-101B, 642-644, 652, 655
relations Canada-États-Unis, 538-542
rencontre Heenev-Rusk, sujets abordés :
armes nucléaires, 540; attaché militaire du
président, points de vue de l', 541-542;
Cuba, 540; désarmement, 540; Laos, 540;
nominations diplomatiques, 540-541;
relations économiques, 539
visite du premier ministre à Washington (18
janvier), 537-538
rencontre Diefenbaker-Eisenhower, sujets
abordés : accord sur l'échange d'aéronefs,
538; désarmement, 537-538; expansion
du communisme, 538
visite du premier ministre à Washington (20
février), 543-552
rencontre Diefenbaker-Kennedy, sujets
abordés : armes nucléaires, 550; balance
des paiements et investissement des États-
Unis au Canada, 548-549; Chine
communiste, reconnaissance de la, 547;
Congo, 546; Cuba, 548; désarmement,
550-551; Laos, 546; loi sur la divulgation
de la propriété, 552; partage de la
production de défense, 549; partenariat de
défense, 549-550; proposition à la réunion
des chefs de gouvernement de l'OTAN,
551; rapport post-visite au Cabinet, 543-
544; règlement sur le CAE et
approvisionnement en mazout, 543-544,
547-548; relations Canada-États-Unis,
545-546; situation économique au Canada
et aux États-Unis, 551
visite du président à Ottawa (16 au 18 mai),
552-563
rencontre Diefenbaker-Kennedy, sujets
abordés : aide aux pays sous-développés,
562; Amérique latine et Cuba, 561;
Berlin, 562; Chine communiste et
reconnaissance par l'ONU, 562;
désarmement et armes nucléaires, 562;
intégration européenne, 562; règlement
sur le CAE et approvisionnement en
mazout, 562; Vietnam, 561; sujets
d'information préalables à la visite :
accord sur l'échange d'aéronefs, 553;
Afrique et Congo, 553; aide aux pays
sous-développés, 553-554, 558, 560;
Amérique latine et Cuba, 553, 557;
balance des paiements, 560; désarmement,
558; Europe et Berlin, 553; intégration
européenne, 554, 561; Laos et Vietnam,
553, 557; lois américaines sur les accords
commerciaux, 554; OTAN, 557-558;
règlement sur le CAE et
approvisionnement en mazout, 554;
relations Est-Ouest, 552-553, 557-558;
tendances des États-Unis en matière de
politique étrangère, 554-559
- EXERCICE SKY SHIELD II, 619-628
approbation du Cabinet, 619-620; approbation
future d'exercices de défense à grande
échelle, 626-628; communiqué de presse de la
FAA concernant, 620-625; évaluation de
l'exercice, 625-628
- F**
- FÉDÉRATION DE RHODÉSIE ET DU NYASSALAND :
voir sous réunion des premiers ministres du
Commonwealth, Londres (8 au 17 mars)
(politique préparatoire à la réunion concernant la
participation de l'Afrique du Sud)
- FLEUVE COLUMBIA, 736-772
aménagement de la rivière Peace, 748-750, 769;
avantages de la régularisation des crues, 738-
739; avantages en aval, 739-742, 745-746,
751-756, 762-763, 765, 770-771; Bonneville
Power Administration, 751-752, 755-756,
758; Comité du Cabinet sur le fleuve
Columbia, 748-749, 764-766; consultations
Canada-États-Unis, 736-737, 740-741, 752-
754, 760-761; consultations Colombie-
Britannique-États-Unis, 758; correspondance
Fleming-Bennett, 738-742, 757, 770-772;
coût et contribution fédérale, 739, 741-742,
745-747; expropriation des sociétés
d'électricité provinciales par le gouvernement
de la C.-B., 742-748; incidence politique,
743-744, 753, 766-767; note des États-Unis
(30 novembre) concernant le statut du traité
de Columbia, 759-760; projets de High Arrow
Lakes et de Mica Creek, 739, 751, 757;
ratification du projet de traité Canada-États-
Unis, 750, 752-756, 759-760; rencontre
Bennett-Kennedy, 755; réponse du Canada
(14 décembre) à la note des États-Unis du 30
novembre, 763-764
- FOOD FOR PEACE, 727-728; *voir aussi sous* Comité
mixte Canada-États-Unis sur les affaires
commerciales et économiques; Nations Unies
(Assemblée générale, 16^e session — instructions à
la délégation canadienne); Programme alimentaire
mondial
- FORCE D'URGENCE DES NATIONS UNIES (FUNU),
POLITIQUE DE RETRAIT DE LA, 286-289
- FRANCE; *voir aussi sous* crise de Berlin; désar-
mement; droit de la mer; Organisation du Traité
de l'Atlantique Nord (réunion ministérielle (13 au
15 décembre, Paris)); Royaume-Uni (relations
économiques avec l'Europe et adhésion à la
CEE); Yougoslavie, visite du ministre des
Affaires étrangères à Ottawa (27 et 28 mars)
relations culturelles France-Québec, 1050-1053
rencontre Dupuy-de Gaulle, 1048-1049
sujets abordés : Algérie, 1049; armes
nucléaires, 1049; Berlin, 1049; visite de
Kennedy en France, 1048
- FUNU : *voir* Force d'urgence des Nations Unies

G

GHANA; *voir aussi sous* Congo, crise politique; Israël, visite du premier ministre à Ottawa (24 et 25 mai); Nations Unies (Assemblée générale, 16^e session — élections au Conseil de sécurité, apartheid en Afrique du Sud); réunion des premiers ministres du Commonwealth, Londres (8 au 17 mars) (politique préparatoire concernant la participation de l'Afrique du Sud)
 officiers militaires francophones, contribution du Canada en, 979-992
 accord bilatéral, 992; aide aux pays non alignés, 990-991; approbation par le Cabinet de la demande du Ghana, 981-982; Ghana, situation politique en, 988-989; relations militaires Ghana-Royaume-Uni, 982-987, 989-990
 projet du fleuve Volta, 993-994

GUYANE BRITANNIQUE

aide du Canada, 1004-1007
 visite du premier ministre à Ottawa (18 et 19 octobre), 995-1004
 aide du Canada, 996-997, 1001, 1003; caractéristiques personnelles de Jagan, 999-1001; entretien Diefenbaker-Jagan, 1002-1003; évaluation de la visite, 1003-1004; intérêts britanniques concernant le sucre, 1000; non-alignement, 995, 999-1000, 1002

H

HONG KONG : *voir sous* importations, faible coût, en provenance du Japon et de Hong Kong

I

IMPORTATIONS, FAIBLE COÛT, EN PROVENANCE DU JAPON ET DE HONG KONG, 1310-1321; *voir aussi sous* Irlande, visite du premier ministre à Dublin (5 au 7 mars)); Japon (visite du premier ministre à Ottawa (25 et 26 juin))
 comité du Cabinet sur les importations à faible coût, rapport du, 1310-1311; conférence internationale du textile et projet d'accord sur les textiles de coton, 1318-1321; consultations du Canada avec : Hong Kong, 1313-1314; le Japon : 1319-1321; restrictions volontaires, 1310; réunions à Londres (Canada-États-Unis-Royaume-Uni) sur les exportations de textiles de Hong Kong, 1315-1318; textiles et chaussures de caoutchouc en provenance de Hong Kong, 1311-1312

INDE; *voir aussi sous* Agence internationale de l'énergie atomique : mesures de protection; Congo, crise politique; Laos (Conférence de Genève sur le Laos), (réactivation de la Commission internationale de surveillance et de contrôle du Laos, négociations en vue de la); Nations Unies (Assemblée générale, 16^e session — apartheid en Afrique du Sud); réunion des premiers ministres du Commonwealth, Londres (8

au 17 mars) (discussions et répercussions de la réunion), (politique préparatoire concernant la participation de l'Afrique du Sud); Vietnam (activités de la Commission internationale de surveillance et de contrôle)

aide canadienne aux immobilisations, 959-962
 mesures de protection relatives aux matières nucléaires du Canada, 962-978

achat de concentré d'uranium par l'Inde, 965, 967-971, 974; politiques relatives aux garanties, 965-966, 971-978; propositions relatives aux réacteurs CANDU, 963-964, 966, 976-978

IRLANDE, VISITE DU PREMIER MINISTRE À DUBLIN (5 AU 7 MARS), 1054-1056; *voir aussi sous* Désarmement; Nations Unies (Assemblée générale, 16^e session — élections au Conseil de sécurité)

entretien Diefenbaker-Lemass, sujets abordés : Congo, 1054; importations à faible coût, 1056; investissement étranger, 1054-1055; Irlande et CEE, 1055

ISRAËL, VISITE DU PREMIER MINISTRE À OTTAWA (24 ET 25 MAI), 1079-1089; *voir aussi sous* Cuba rencontres Diefenbaker-Ben Gourion, sujets abordés : aide aux pays sous-développés, 1083-1084; aide des États-Unis à Israël, 1085; capacité nucléaire d'Israël, 1087; déclaration États-Unis-URSS sur l'intégrité territoriale des États du Moyen-Orient, 1082, 1087-1088; Ghana, 1083-1084; Laos, 1083; niveaux des forces militaires, 1086-1087; RAU, 1085; réfugiés palestiniens, 1086; Turquie, 1085-1086; sujets d'information et activités préalables à la visite : exportation canadienne d'équipement militaire à Israël et au Moyen-Orient, 1081; fournitures militaires françaises, 1080; RAU, 1079-1080

ITALIE : *voir sous* Crise de Berlin

J

JAPON, 1298-1321; *voir aussi sous* droit de la mer; importations, faible coût, en provenance du Japon et de Hong Kong

visite du premier ministre à Ottawa (25 et 26 juin), 1298-1304

immigration, 1299; quotas d'importation, 1298-1300; réclamations fondées en droit, 1298, comité ministériel sur les questions économiques, proposition d'un, 1300-1301; rencontre Diefenbaker-Ikeda, sujets abordés : Chine communiste, reconnaissance et commerce, 1302-1304; comité ministériel sur les questions économiques, proposition d'un, 1304; commerce bilatéral, 1304; Corée, 1302; discours de Khrouchtchev, 1302; Formose, 1303; Laos et Vietnam, 1302, 1304; relations sino-soviétiques, 1304; sujets d'information et activités préalables

à la visite : relations culturelles, 1299
 visite du premier ministre au Japon (27 au 31 octobre), 1305-1309
 rencontres Diefenbaker-Ikeda, sujets abordés : armes nucléaires, acquisition par le Canada, 1306; Asie du Sud-Est 1305; Berlin et Allemagne 1306-1307; Birmanie, 1305; comité ministériel sur les questions économiques, proposition d'un, 1308; commerce bilatéral, 1308-1309; Corée, 1305; Laos et Vietnam, 1307-1308; OCDE, participation du Japon, 1307; ONU et résolution sur les essais nucléaires, 1306; Royaume-Uni et CEE, 1307

L

LAOS, 1090-1195; *voir aussi sous* États-Unis (relations Canada-États-Unis), (visite du premier ministre à Washington (20 février)), (visite du président à Ottawa (16 au 18 mai)); Israël, visite du premier ministre à Ottawa (24 et 25 mai); Japon (visite du premier ministre à Ottawa (25 et 26 juin)), (visite du premier ministre au Japon (27 au 31 octobre)); Nations Unies (Assemblée générale, 16^e session — entretien Green-Rusk); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Royaume-Uni (visite du premier ministre à Ottawa (10 et 11 avril)); Vietnam (présence et aide des États-Unis au Vietnam du Sud); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)

Conférence de Genève sur le Laos, 1136-1195

aide au développement, 1142, 1144, 1153; cessez-le-feu au Laos, 1138-1139, 1146-1152, 1161-1162, 1180, 1184, 1186; CISC du Laos : équipes d'inspection, 1183-1185, 1188-1189, 1194; mandat, 1160, 1170-1172, 1182-1189; rapport au coprésident, 1147-1150; rapports du Canada, 1161-1164; rôle du coprésident, 1183, 1185, 1187, 1189, 1193-1194; tâches préliminaires, 1137-1139; consultations du Canada avec : les États-Unis, 1140-1145, 1168-1170; l'Inde, 1145-1146; le Royaume-Uni, 1146-1147, 1159-1160; correspondance Diefenbaker-Macmillan, 1146-1147, 1150-1152; correspondance Diefenbaker-Nehru, 1175-1176, 1178; délégation canadienne, 1136-1137; équipement militaire, entrée au Laos, 1139; force de sécurité interne, 1141-1142, 1153; mécanisme international de supervision, 1142-1143; 1153-1154; neutralité du Laos, 1179-1180; position : du Canada, 137-1139, 1146-1147, 1150, 1152-1155, 1158-1159, 1170-1172; des États-Unis, 1138, 1140-

1145, 1155-1158, 1168-1170, 1173-1174, 1190-1192; de l'Inde, 1155-1158, 1178; du Royaume-Uni, 1137-1138, 1159-1160, 1174; progrès de la conférence, 1173-1177, 1179-1195; protocole à l'accord de 1954 sur le Laos, 1167-1168; relations Inde-États-Unis, 1155-1158; rencontre Green-Souvanna, 1166-1167; rencontre Ronning-Souphanouvong, 1164-1165; représentation des factions laotiennes, 1143-1144; situation politique et militaire au Laos, 1146-1147, 1151-1152, 1161-1164, 1166-1170

réactivation de la CISC du Laos, négociations en vue de la, 1090-1135

aide-mémoire du Canada à l'intention de l'URSS (2 mars) concernant la réactivation, 1125-1126; aide-mémoire du Royaume-Uni (14 janvier) exposant l'approche à l'Inde, 1111; cessez-le-feu au Laos, 1090, 1095, 1129, 1131-1134; consultations du Canada avec : les États-Unis, 1103-1106, 1108-1110; 1123-1124, 1126-1128; l'Inde, 1101-1102; le Royaume-Uni, 1090, 1095-1098, 1102-1103, 1108-1110, 1114-1116, 1123-1124, 1128-1131; l'URSS, 1113-1114, 1125-1126; consultations Royaume-Uni-URSS 1094, 1116-1118, 1130-1131; correspondance Diefenbaker-Sihanouk, 1119-1122; demande du coprésident quant à la réactivation et à la convocation de la Conférence de Genève, 1133-1135; équipement militaire, fourniture aux factions laotiennes, 1105, 1128-1129; lettre du coprésident à l'Inde, 1111-1112, 1114-1116; mandat de la CISC, 1100-1102, 1109, 1122-1123, 1127-1128, 1131; personnel canadien de la CISC, 1131-1132; position : du Cambodge, 1120-1121; du Canada, 1095, 1097-1098, 1101-1102, 1106-1107, 1115, 1121-1122, 1124-1127, 1133-1134; des États-Unis, 1092-1094, 1103-1110, 1117-1118, 1126-1130; du gouvernement royal du Laos, 1093-1094, 1098, 1110, 1130; de l'Inde, 1101, 1104, 1107, 1135; de la Pologne, 1097; du Royaume-Uni, 1090-1092, 1096, 1098, 1102-1103, 1107-1110, 1114-1116, 1123-1124; de l'URSS, 1094, 1105, 1113-1114, 1117-1118, 1122-1123, 1132-1133; proposition de réactivation du Royaume-Uni, 1090-1091; situation politique et militaire au Laos, 1091-1093, 1099-1100, 1105, 1113

M

MAAG : *voir* Military Assistance Advisory Group
 MAGAZINES ET PÉRIODIQUES : *voir sous*
 Commission royale sur les publications

MBMP : voir Missile balistique à moyenne portée
 MILITARY ASSISTANCE ADVISORY GROUP (MAAG) : voir sous Vietnam (présence et aide des États-Unis au Vietnam du Sud)
 MISSILE BALISTIQUE À MOYENNE PORTÉE (MBMP) : voir sous armes nucléaires (politique de l'OTAN); OTAN (réunion ministérielle (13 au 15 décembre, Paris))

N

NATIONS UNIES (ONU); voir aussi sous Congo, crise politique; crise de Berlin; désarmement; droit de la mer; États-Unis (visite du président à Ottawa (16 et 18 mai)); Force d'urgence des Nations Unies, politique de retrait; Japon (visite du premier ministre au Japon (27 au 31 octobre)); Office de secours et de travaux des Nations Unies pour les réfugiés de Palestine; Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo)), (réunion ministérielle (13 au 15 décembre, Paris)); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)

Assemblée générale, reprise de la 15^e session, 203-214

apartheid en Afrique du Sud, 203-210

article 2 et non-intervention, 204; position : de l'Afrique du Sud, 207; du Canada, 203, 209; résolutions : du bloc africain, 205-209; du bloc asiatique, 205-209; sanctions, 203-210

Ruanda-Urundi, 210-214

Assemblée générale, évaluation de la 15^e session, 214-216

Assemblée générale, 16^e session, 217-285

apartheid en Afrique du Sud, 244-261

consultations du Canada avec les États non africains, 259-260; discussion de la Commission politique spéciale, 248, 252; position : de l'Afrique du Sud, 249; du bloc africain, 245-246; du bloc asiatique, 245-246; du Canada, 247-248, 251, 253-254, 256, 260-261; du Ghana, 245, 248-249; du Royaume-Uni, 249, 251, 259; résolutions : du bloc africain, 252-254; de l'Éthiopie (modification à la résolution de l'Inde), 255-256, 259; du Ghana, 248-249; de l'Inde, 252-253, 255-256, 259; retrait de l'Afrique du Sud du Commonwealth, 245; sanctions, 246, 249-252, 254

colonialisme, 261-269

Comité des dix-sept nations, 268-269; débat de l'AGNU, 267-268; propositions de l'URSS pour le débat de l'AGNU, 265-266; résolution proposée par le Canada sur le colonialisme soviétique, 261-265

élections au Conseil de sécurité, 239-244

Candidats : Afrique du Sud, 239-242; Cuba, 242; Ghana, 239, 244; Irlande, 244; Philippines, 242-243; Roumanie, 242-243; Venezuela, 242, 244; position : du Canada, 241-244; des États-Unis, 242-243; du Royaume-Uni, 239; résultats, 244; siège de l'Amérique latine, 242; siège de l'Europe de l'Est, 242-244; siège du Commonwealth, 239-242

entretien Green-Rusk, 235-239

Berlin, 237-238; Congo, 236; désarmement, 237; essais nucléaires, 238-239; Laos, 238; nomination du Secrétaire général intérimaire, 235-236; représentation de la Chine, 236

groupe d'experts ministériels sur l'Afrique, 223-235

émergence du bloc afro-asiatique, 223-224, 231-232; participation, 226-227; politique traditionnelle du Canada concernant l'Afrique, 225-227, 231, 233-234; rapport sommaire, 232-235; réunions, 226-229; sujets envisagés, 229-230

instructions à la délégation canadienne, 217-223

admission de nouveaux membres, 218; Angola, 219; apartheid, 219; Banque alimentaire, 221; Congo, 219, 223; Corée, 220; désarmement et essais nucléaires, 219-220; élections à l'ECOSOC, 218; élections au Conseil de sécurité, 218; espace, 220; financement de l'ONU, 222; radiation, 220; réorganisation du Secrétariat, 219; révision de la Charte, 218; territoires non autonomes, 221; Tibet, 221

radiation, 279-285

consultations Canada-États-Unis, 280-282; études coopératives sur les retombées, 279-280; Organisation météorologique mondiale, 283-285; projet de rapports synoptiques sur la radiation atmosphérique, 284-285; rapport du UNSCEAR, 280-282; résolution du Canada, 280-283

représentation de la Chine, 270-279

ébauche de résolution de l'URSS, 277; groupe d'étude proposé, 270-274, 277-279; position : du Canada, 273-276, 278-279; des États-Unis, 270-274

NORVÈGE : voir sous Droit de la mer

O

OCDE : voir Organisation de coopération et de développement économiques

OEA : *voir* Organisation des États américains

OFFICE DE SECOURS ET DE TRAVAUX DES NATIONS UNIES POUR LES RÉFUGIÉS DE PALESTINE (UNRWA), 289-298; *voir aussi sous* Israël, visite du premier ministre à Ottawa (24 et 25 mai)
conférence pour les annonces de contributions, 297; consultations du Canada avec le directeur de l'UNRWA, 289-291; contributions du Canada : argent comptant, 293-298; farine de blé, 293-298; fonds pour le centre de formation professionnelle, 291-292

ONUC : *voir* Opération des Nations Unies au Congo

OPÉRATIONS DES NATIONS UNIES AU CONGO (ONUC) : *voir sous* Congo, crise politique

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES (OCDE) : *voir sous* Japon (visite du premier ministre au Japon (27 au 31 octobre))

ORGANISATION DES ÉTATS AMÉRICAINS (OEA) : *voir sous* Caraïbes, aide aux anciens territoires britanniques dans les

ORGANISATION DU TRAITÉ DE L'ATLANTIQUE NORD (OTAN); *voir aussi sous* Agence internationale de l'énergie atomique : mesures de protection; armes nucléaires (politique de l'OTAN); Congo, crise politique; crise de Berlin; Cuba; États-Unis (visite du premier ministre à Washington (20 février)), (visite du président à Ottawa (16 au 18 mai)); Royaume-Uni (relations économiques avec l'Europe et adhésion à la CEE), (visite du premier ministre à Ottawa (10 et 11 avril))
examen annuel, 496-506
aide mutuelle, 501-502; déclaration du Canada, 499-502; dépenses de défense, 498-499, 501, 506; intercepteur F-104G et Division aérienne du Canada, 500, 504; mécanisation du groupe-brigade, 497-498, 503
réunion ministérielle (8 au 10 mai, Oslo), 327-341
activités de maintien de la paix, 331, 337; Angola, 328, 337; armes nucléaires, 331-332; Berlin et Allemagne, 328, 333-335; Congo, 337; coopération non militaire, 332, 340; Cuba, 329, 338; désarmement, 328, 335-336; évaluation, 334-341; Grèce et Turquie, problèmes économiques, 340-341; Laos, 328-329, 336-337; lignes directrices et position de la délégation canadienne, 329-334; planification à long terme, 330, 338-340; relations OTAN-ONU, 336; réunion des chefs de gouvernement, 332, 341; système de consultations, 331, 339-340
réunion ministérielle (13 au 15 décembre, Paris), 507-536
armes nucléaires et force multilatérale des MBMP, 518-519, 521-522, 531-534;

Berlin et Allemagne, 508-510, 512-518, 520-521, 523-528; communiqué, 517-518; Congo, 512, 518, 528-529; coopération en matière de recherche, 510, 535; Cuba, 530; évaluation, 519-536; examen annuel, 510; Laos et Vietnam, 530; lignes directrices et position de la délégation canadienne, 507-513; planification civile d'urgence, 511, 535; position : de l'Allemagne de l'Ouest, 514, 520, 525, 531-532; du Canada, 526-527, 529; des États-Unis, 513-514, 520, 524, 528-530, 533-534; de la France, 515-516, 520, 526, 532-533; du Royaume-Uni, 516, 520, 527-529, 533; rapport au Cabinet, 517-519; relations OTAN-ONU, 522-523

OTAN : *voir* Organisation du Traité de l'Atlantique Nord

P

PÉTROLE, 707-723

Comité du Cabinet chargé de la politique sur le pétrole, 707-711; consultations Canada-États-Unis, 712-713, 715-719; exportations aux États-Unis, 712, 714-719; niveaux de production du Canada, 708-710, 712, 714; note du Canada (31 octobre) concernant les changements au programme d'importation de pétrole des États-Unis, 721-722; pipeline de Montréal, 708-712; programme d'importation de pétrole des États-Unis, 716-723

PLAN DE COLOMBO, 1025-1043; *voir aussi sous* Caraïbes, aide aux anciens territoires britanniques dans les

réunion du Conseil consultatif (Kuala Lumpur, 13 au 17 novembre), 1029-1041

accord d'aide ou de crédits, 1035-1041; aide du Canada à Ceylan, 1037-1039, 1041; réunion des fonctionnaires, sujets abordés : aide des États-Unis à Ceylan, 1037, 1040-1041; appartenance de la Corée du Sud, 1029; comité des affaires, 1030-1031; coopération technique, 1031-1032; information et publicité, 1032-1033; rapport annuel, 1030; réunion ministérielle, 1033-1034

contingents des pays et des projets, 1025-1028
Malaisie et Singapour, cours sur le commerce donnés sur place par l'Université de la Colombie-Britannique, 1041-1043

POLITIQUE D'IMMIGRATION, RÉVISIONS À LA, 1399-1410; *voir aussi sous* Afrique du Sud, effet du retrait du Commonwealth; Japon (visite du premier ministre à Ottawa (25 et 26 juin))

discussion du Cabinet, 1407-1409; ordre de préférence, retrait de l', 1399-1400, 1404-1406, 1402; tests d'aptitude à lire et à écrire, 1403; enfants adoptés, 1403; étudiants, 1400-1401; parrainage, 1401; passeports et visas,

- 1401, 1403-1404; quotas des pays, 1401, 1408
- POLOGNE : *voir sous* Cuba; Laos (réactivation de la CISC du Laos, négociations en vue de la); Vietnam (activités de la CISC)
- PROGRAMME ALIMENTAIRE MONDIAL, 196-202; *voir aussi sous* Comité mixte Canada-États-Unis sur les affaires commerciales et économiques; Food for Peace; Nations Unies (Assemblée générale, 16^e session — instructions à la délégation canadienne)
- approbation de la Deuxième Commission, 201-202; contribution du Canada, 198-199; coût, 196-197, 202; rapport du Comité consultatif interministériel, 196-197
- PROGRAMME D'AIDE AUX PAYS AFRICAINS MEMBRES DU COMMONWEALTH (SPÉCIAL), 1008-1019; *voir aussi sous* Afrique, aide aux États francophones en
- aide à l'immobilisation, 1014; assistance technique, 1010-1011; éducation et formation technique, 1011-1013; équipement, 1013-1014; étude sur les ressources, 1014; levé aérien du Nigeria, approbation des fonds canadiens, 1018-1019; principes généraux de l'aide en Afrique, 1008-1017
- PROJET DU FLEUVE VOLTA : *voir sous* Ghana (projet du fleuve Volta)

R

- RÈGLEMENT SUR LE CONTRÔLE DES AVOIRS ÉTRANGERS (CAE) : *voir sous* Chine, République populaire de : vente de blé à la; Comité mixte Canada-États-Unis sur les affaires commerciales et économiques; Cuba; États-Unis (visite du Premier ministre à Washington (20 février)), (visite du président à Ottawa (16 au 18 mai))
- RÉUNION DES PREMIERS MINISTRES DU COMMONWEALTH, LONDRES (8 AU 17 MARS), 773-816; *voir aussi sous* Afrique du Sud, effet du retrait du Commonwealth; Nations Unies (Assemblée générale, reprise de la 15^e session), (Assemblée générale, 16^e session — apartheid en Afrique du Sud)
- discussions et répercussions des réunions, 805-816
- communiqué, 810-815; consultations du Canada avec, 806-807; correspondance Diefenbaker-Drew, 815-816; déclarations de Diefenbaker condamnant l'apartheid, 808-809; discussion du Cabinet, 805-806, 808-809; position de : l'Afrique du Sud, 809, l'Inde, 806-807; retrait de l'Afrique du Sud du Commonwealth, 811-812
- politique préparatoire concernant la participation de l'Afrique du Sud, 773-804
- admission de nouveaux membres, 783, 786; caractère, principes et nature changeante du Commonwealth, 774-775, 783-788; correspondance et entretien Diefenbaker-

Drew, 780-782, 793-798, 800-801; déclaration publique ou communiquée, propositions concernant, 776-778, 798-799, 804; Diefenbaker, avis préliminaires de, 773-774; discussion du Cabinet, 789-793, 798-800, 802-804; entretien Diefenbaker-Lady Jackson, 788-789; entretien Diefenbaker-Macmillan, 804; exclusion de l'Afrique du Sud, arguments pour et contre, 776-778; Fédération de Rhodésie et du Nyassaland, événements en, 796, 799; opinion publique, 791-792; position : de l'Afrique du Sud, 790, 795, 799, 801-802; de l'Australie, 790, 793-794; du Ghana, 790; de l'Inde, 790; du Royaume-Uni, 780-781, 790, 793; statut de république de l'Afrique du Sud, 777, 780, 792-793, 796-797

ROYAUME-UNI; *voir aussi sous* Afrique du Sud, effet du retrait du Commonwealth; Congo, crise politique; crise de Berlin; désarmement; droit de la mer; Ghana (officiers militaires francophones, contribution du Canada en); importations à faible coût en provenance du Japon et de Hong Kong); Japon (visite du premier ministre au Japon (27 au 31 octobre)); Laos (Conférence de Genève sur le Laos), (réactivation de la CISC du Laos, négociations en vue de la); Nations Unies (Assemblée générale, 16^e session — élections au Conseil de sécurité, apartheid en Afrique du Sud); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (13 au 15 décembre, Paris)); réunion des premiers ministres du Commonwealth, Londres (8 au 17 mars) (politique préparatoire à la réunion concernant la participation de l'Afrique du Sud); Vietnam (présence et aide des États-Unis au Vietnam du Sud) relations économiques avec l'Europe et adhésion à la CEE, 816-932

biens manufacturés, négociations concernant les, 928-930; commerce canadien, effets de la fusion Royaume-Uni-CEE, 836-839, 858-859, 862, 865, 876-877, 886, 894-899, 912, 914; commerce Royaume-Uni-CEE, 820-821, 848-852, 858-859; Commonwealth, incidence sur le, 854-855, 862-863, 865, 891-892; consultations Commonwealth-Royaume-Uni, 826-829, 843, 871-872, 899-901; consultations du Canada avec : les États-Unis, 884-885, 890-892; la France, 909-914; le Royaume-Uni, 839-841, 856-868, 892-897, 915-916; correspondance et discussions Diefenbaker-Macmillan, 816-818, 821, 825-826, 829-830, 869-870, 921; discussion du Cabinet, 823-826, 833-834, 878-879, 885-887, 897-898; examen par la CEE de la demande d'adhésion du Royaume-Uni, 890; GATT, 841, 872-873; négociations Royaume-

- Uni-CEE, 874, 908-909, 922-925, 931-932; OTAN, incidence sur l', 854; position : de l'Australie, 883, 930; du Canada, 821, 824, 833-834, 839-845, 860-864, 872-873, 877-879, 881-882, 900, 905, 913-914, 925; des États-Unis, 822, 824, 835-837, 840, 847, 884-885, 888, 890-892, 901-904; de la France, 822-823, 832, 840, 909-914, 921; du Royaume-Uni, 817-818, 825-826, 829-830, 840-841, 845-848, 856-859, 864, 867-870, 874, 880-881, 883, 893-895, 900, 905-909, 915-916, 920-921, 926-928; refus du Royaume-Uni de communiquer les détails des négociations avec le Commonwealth, 917-921; rencontre Fleming-de Gaulle, 913-914; rencontre Fleming-Macmillan, 915-916; répercussions politiques, 852-855, 857-858, 865, 891; réunion du CCEC (Accra) concernant, 879-884, 886-887; visite de Sandys à Ottawa, 856-866
- visite du premier ministre à Ottawa (10 et 11 avril), 932-941
- évaluation, 940-941; rencontre Diefenbaker-Macmillan, sujets abordés : armes nucléaires pour les forces de l'OTAN, 935; attitudes des États-Unis à l'égard de l'Asie, 932-933; commerce avec la Chine, 933-934; Cuba, 936; entrée du Royaume-Uni dans la CEE, 934-935; Laos, 933; réunion des chefs de gouvernement de l'OTAN, 935; suspension des essais nucléaires et désarmement, 936; rencontre de Macmillan avec le Cabinet, 937-940
- RUANDA-URUNDI : *voir sous* Congo, crise politique; Nations Unies (Assemblée générale, reprise de la 15^e session)
- S**
- SACEUR : *voir* Commandant suprême des Forces alliées, Europe
- SUÈDE : *voir sous* Désarmement
- T**
- TARIF DES DOUANES, CATÉGORIE OU TYPE DE DISPOSITIONS, 673-681
- consultations Canada-États-Unis, 673-675, 679-680; note de protestation des États-Unis (19 janvier), 675-676; réponse du Canada (1^{er} mai) à la note de protestation des États-Unis, 677-681; violations du GATT, 673-676
- TUNISIE, VISITE DU PREMIER MINISTRE À OTTAWA (1^{ER} AU 3 MAI), 1392-1398
- rencontre Diefenbaker-Bourguiba, sujets abordés : Algérie, 1396-1398; Bizerte, 1398; communisme en Afrique, 1396-1397; Congo, 1395; Cuba, 1395-1396; sujets d'information et activités préalables à la visite : aide, 1394; Algérie, 1392-1394; économie, 1393; relations Canada-Tunisie, 1393-1394; situation intérieure, 1393
- TURQUIE : *voir sous* Israël, visite du premier ministre à Ottawa (24 et 25 mai); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (8 au 10 mai, Oslo))
- U**
- UNION DES RÉPUBLIQUES SOCIALISTES SOVIÉTIQUES (URSS); *voir aussi sous* Agence internationale de l'énergie atomique : garanties; Congo, crise politique; crise de Berlin; Cuba; désarmement; droit de la mer; Israël, visite du premier ministre à Ottawa (24 et 25 mai); Japon (visite du premier ministre à Ottawa (25 et 26 juin)); Laos (réactivation de la CISC du Laos, négociations en vue de la); Nations Unies (Assemblée générale, 16^e session — représentation de la Chine, colonialisme); Yougoslavie, visite du ministre des Affaires étrangères à Ottawa (27 et 28 mars)
- pêcheries du flétin du Pacifique, entrée dans les, 1057-1061
- Convention internationale régissant, 1058; intérêt soviétique concernant la pêche au flétin à bord de chalutiers, 1057, 1059; note du Canada concernant, 1059-1060
- rapatriement des citoyens et des anciens résidents du Canada, 1062-1064
- UNRWA : *voir* Office de secours et de travaux des Nations Unies pour les réfugiés de Palestine
- UNSCEAR : *voir* Comité scientifique des Nations Unies pour l'étude des effets des rayonnements ionisants
- V**
- VIETNAM, 1195-1262; *voir aussi sous* États-Unis (visite du président à Ottawa (16 au 18 mai)); Japon (visite du premier ministre à Ottawa (25 et 26 juin), (visite du premier ministre au Japon (27 au 31 octobre)); Organisation du Traité de l'Atlantique Nord (réunion ministérielle (13 au 15 décembre, Paris))
- activités de la CISC, 1195-1202, 1208-1209, 1216, 1221-1235, 1239-1244, 1246-1247, 1251, 1254-1259
- activités des équipes stationnaires et mobiles, 1222-1224; colonel Nam, arrestation et meurtre du, 1224-1226, 1231-1233, 1242-1244, 1246-1247, 1251; contrôle des aéroports, 1195-1199, 1223; position : du Canada, 1195-1196, 1199-1201, 1230-1231; des États-Unis, 1224-1225, 1234-1235, 1240, 1257-1259; de l'Inde, 1195-1196, 1202, 1208-1209, 1241-1244, 1246-1247; de la Pologne, 1195, 1201, 1230-1231, 1241-1244; du Vietnam du Nord, 1226-1228; du Vietnam du Sud, 1229-1230, 1232-1233; président indien, rôle du, 1197-1198;

- rappports d'activités de la CISC : juin, 1221-1222; octobre, 1231-1234; subversion, 1199-1202, 1208-1209, 1216, 1242-1244, 1251, 1255-1256
- présence et aide des États-Unis au Vietnam du Sud, 1203-1207, 1209-1221, 1226-1228, 1233-1239, 1241, 1244-1245, 1248-1250, 1252-1254, 1259-1262
- consultations du Canada avec : les États-Unis, 1206, 1210-1215, 1218-1219, 1236-1240, 1248-1250, 1260-1262; le Royaume-Uni, 1205, 1214; le Vietnam du Nord, 1226-1228; discussion de la CISC sur les, 1209-1210; hausse du personnel du MAAG, 1203-1207, 1209-1215, 1233-1234; incidence sur la Conférence de Genève sur le Laos, 1206; position : du Canada, 1203-1204, 1206-1207, 1216-1218, 1244-1245, 1259-1260; des États-Unis, 1206, 1210-1213, 1215, 1236-1240, 1260-1262; du Royaume-Uni, 1214; du Vietnam du Nord, 1226-1228; du Vietnam du Sud, 1217-1218; rapport Taylor et aide accrue des États-Unis, 1236-1239, 1241, 1244-1245; US White Paper, 1248-1250
- Y**
- YUGOSLAVIE, VISITE DU MINISTRE DES AFFAIRES ÉTRANGÈRES À OTTAWA (27 ET 28 MARS), 1065-1078; *voir aussi sous* Cuba
- évaluation, 1076-1078; manifestations en Serbie, 1068-1069, 1071-1072; neutralité de la Yougoslavie, 1065-1066; questions relatives à l'ONU, 1070; rencontres Green-Popovic, sujets abordés : Berlin et Allemagne, 1074; CEE, 1073-1074; Chine, 1074; Congo, 1073; désarmement, 1072-1073; Europe de l'Est, 1075; France, 1075; Laos, 1073; relations URSS-Chine, 1075; sujets d'information et activités préalables à la visite : désarmement, 1065-1066; visite de Popovic en URSS, 1067, 1069

INDEX

A

AFRICA, AID TO FRENCH-SPEAKING STATES IN, 1381-1391; *see also under* Commonwealth African Aid Programme (Special); Ghana (Volta River project)

Canada-Quebec consultations concerning, 1385-1387; Commonwealth Scholarship and Fellowship Plan, relation to, 1381, 1383-1384; cost, 1382-1385, 1389, 1391; teachers, provision of, 1388-1391

ALGERIA: *see under* France (Dupuy-de Gaulle meeting); Tunisia, visit of Prime Minister to Ottawa (1-3 May)

ANGOLA: *see under* North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)); United Nations (General Assembly, 16th session—instructions to the Canadian delegation)

ARGENTINA: *see under* Cuba

AUSTRALIA: *see under* China, People's Republic: sale of wheat to; Commonwealth Prime Ministers' Meeting, London (8-17 March) (pre-meeting policy concerning South African membership); United Kingdom (economic relations with Europe and joining the EEC)

B

BELGIUM: *see under* Berlin Crisis; Congo political crisis

BERLIN CRISIS, 341-465; *see also under* Disarmament (Berlin Crisis, relation to); France (Dupuy-de Gaulle meeting); Japan (visit of Prime Minister to Japan (27-31 October)); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris)); Nuclear Weapons (acquisition by Canadian forces and storage at leased bases in Canada), (NATO policy); United Nations (General Assembly, 16th session—Green-Rusk Conversation); United States (visit of President to Ottawa (16-18 May)); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)

Canadian consultations with: France, 341-343; NATO Secretary-General, 418-422; UK, 398-400, 409-410, 458-459; US, 355-356, 392-395, 407-409, 424-426, 451-452; USSR, 347-350; West Germany, 448-449; Canadian defence measures, 388-391; Canadian negotiated settlement proposal, 406-407, 417-418; Diefenbaker statements, 353-354, 400-402, 425-426; disarmament, relation to, 350, 408; East German control measures in Berlin, 376-378, 384; East Germany, recognition of, 351, 354, 366, 375-376, 381-383, 387, 395, 403-404, 407-409, 417, 423-424, 433; economic countermeasures, 386-387, 392-393, 411-417, 421-422, 450-451, 453-454, 458-465; inter-departmental consultations, 357-362; internationalization of Berlin, 427-430; 434-435, 444-445; NATO Council discussion, 370-375, 378-379, 414-417, 436-

437, 461-462; nuclear weapons, 353, 361, 365-370, 376, 379, 383, 438, 441-442, 447-448, 451-452; positions of: Belgium, 372; Canada, 352-353, 357-362, 373-374, 391-392, 409-410, 423-424, 437-439, 443-445, 455-457, 460, 463-465; France, 341-343, 379, 384-385, 394, 399, 405-406, 452; Italy, 354; UK, 379, 384-385, 398-400, 405-406, 442, 452; US, 355-357, 363-365, 378-379, 384-387, 393-395, 398-400, 402-406, 425-426, 442, 451-452; USSR, 343-344, 347-350, 439-441; West Germany, 354, 379, 384-385, 399, 427-428, 448-449; UN role, 353, 367, 374, 427-430, 434-435, 444-446, 448-449; US military preparedness and contingency measures, 363-365, 367, 373, 375-376, 378-380, 388; USSR aide-mémoire on Berlin and Germany, 345-346; USSR note (23 August) on Berlin and Germany, 396-397; West Germany-USSR consultations, 343-344

BRITISH GUIANA

Canadian aid, 1004-1007

visit of Prime Minister to Ottawa (18-19 October), 995-1004

assessment of visit, 1003-1004; Canadian aid, 996-997, 1001, 1003; British sugar interests, 1000; Diefenbaker-Jagan conversation, 1002-1003; Jagan's personal characteristics, 999-1001; non-alignment, 995, 999-1000, 1002

C

CARIBBEAN, AID TO FORMER BRITISH TERRITORIES IN, 1019-1025

Cabinet discussion, 1024-1025; Colombo Plan arrangement, application of, 1022-1023; OAS membership of Caribbean states, 1019-1020; patterns of Canadian aid, 1021-1022; US aid programme, 1019-1020

CECC: *see* Commonwealth Economic Consultative Committee

CEYLON: *see under* Colombo Plan (Consultative Committee meeting (Kuala Lumpur, 13-17 November))

CHICAGO DIVERSION, 729-736

Canada-US consultations, 734-736; Canadian draft note, 730-732; US Supreme Court cases, 729-730

CHINA, PEOPLE'S REPUBLIC: SALE OF WHEAT TO, 1262-1297; *see also under* Japan (visit of Prime Minister to Ottawa (25-26 June)); United Kingdom (visit of Prime Minister to Ottawa (10-11 April)); United States (visit of Prime Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May)); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)

Australia, wheat exports to China, 1266, 1268, 1271-1273; Cabinet discussion, 1270-1272, 1285-1289, 1296-1297; Canadian Wheat Board missions to China, 1282-1285, 1291-

- 1294; China Resources Company trade mission, 1262-1264; Diefenbaker-Kennedy conversations concerning, 1274-1275; famine in China, 1279-1281, 1297; gift of wheat, 1264-1272; purchase agreements and credit terms, 1264-1272, 1274, 1281-1289, 1292-1294, 1296-1297; FAC regulations and fuel bunkering, 1267, 1274-1278, 1294-1296
- COLOMBO PLAN, 1025-1043; *see also under* Caribbean, aid to former British territories in
- Consultative Committee meeting (Kuala Lumpur, 13-17 November), 1029-1041
- Canadian aid to Ceylon, 1037-1039, 1041; grant aid or credits, 1035-1041; ministerial meeting, 1033-1034; officials meeting, topics discussed: annual report, 1030; business committee, 1030-1031; information and publicity, 1032-1033; South Korean membership, 1029; technical cooperation, 1031-1032; US aid to Ceylon, 1037, 1040-1041
- country and project allotments, 1025-1028
- Malaya and Singapore, provision of business courses in by the University of British Columbia, 1041-1043
- COLUMBIA RIVER, 736-772
- BC government expropriation of provincial power companies, 742-748; BC-US consultations, 758; Bennett-Kennedy meeting, 755; Bonneville Power Administration, 751-752, 755-756, 758; Cabinet Committee on Columbia River, 748-749, 764-766; Canada-US consultations, 736-737, 740-741, 752-754, 760-761; Canadian reply (14 December) to US note of 30 November, 763-764; cost and federal contribution, 739, 741-742, 745-747; downstream benefits, 739-742, 745-746, 751-756, 762-763, 765, 770-771; Fleming-Bennett correspondence, 738-742, 757, 770-772; flood control benefits, 738-739; High Arrow Lakes and Mica Creek projects, 739, 751, 757; Peace River development, 748-750, 769; political impact, 743-744, 753, 766-767; ratification of draft Canada-US treaty, 750, 752-756, 759-760; US note (30 November) concerning status of Columbia treaty, 759-760
- COMMONWEALTH AFRICAN AID PROGRAMME (SPECIAL), 1008-1019; *see also under* Africa, aid to French-speaking states in
- capital assistance, 1014; general principles of African aid, 1008-1017; educational and technical training, 1011-1013; equipment, 1013-1014; Nigerian aerial survey, Canadian approval of funds, 1018-1019; resource surveys, 1014; technical assistance, 1010-1011
- COMMONWEALTH ECONOMIC CONSULTATIVE COMMITTEE (CECC): *see under* United Kingdom (economic relations with Europe and joining the EEC)
- COMMONWEALTH PRIME MINISTERS' MEETING, LONDON (8-17 MARCH), 773-816; *see also under* South Africa, effect of withdrawal from Commonwealth; United Nations (General Assembly, resumed 15th session), (General Assembly, 16th session—South African apartheid) meeting discussions and aftermath, 805-816
- Cabinet discussion, 805-806, 808-809; Canadian consultations with, 806-807; communiqué, 810-815; Diefenbaker-Drew correspondence, 815-816; Diefenbaker statements condemning apartheid, 808-809; positions of: India, 806-807, South Africa, 809; South African withdrawal from Commonwealth, 811-812
- pre-meeting policy concerning South African membership, 773-804
- admission of new members, 783, 786; Cabinet discussion, 789-793, 798-800, 802-804; Commonwealth character, principles, and changing nature, 774-775, 783-788; Diefenbaker-Drew correspondence and conversation, 780-782, 793-798, 800-801; Diefenbaker-Lady Jackson conversation, 788-789; Diefenbaker-Macmillan conversation, 804; Diefenbaker, preliminary views of, 773-774, exclusion of South Africa, arguments for and against, 776-778; positions of: Australia, 790, 793-794; Ghana, 790; India, 790; South Africa, 790, 795, 799, 801-802; UK, 780-781, 790, 793; public opinion, 791-792; public statement or communiqué, proposals concerning, 776-778, 798-799, 804; republic status of South Africa, 777, 780, 792-793, 796-797; Rhodesia and Nyasaland, events in, 796, 799
- CONGO, POLITICAL CRISIS, 1-88; *see also under* Ireland, visit of Prime Minister to Dublin (5-7 March); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), ministerial meeting (13-15 December, Paris)); Tunisia, visit of Prime Minister to Ottawa (1-3 May); United Nations (General Assembly, 16th session—Green-Rusk conversation; instructions to the Canadian delegation); United States (visit of Prime Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May)); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)
- Belgian troops, withdrawal from Katanga, 19, 21, 47, 51-52; Canadian consultations with: Belgium, 9, 47-48; President Kasavubu, 29-34; UN Secretary-General, 27-28; US, 10-11;

- Canadian military training assistance, Congolese request for, 65-66, 80-84, 87-88; Casablanca Conference, 3, 5-6; Congo Advisory Committee, 8-9, 25, 27-31, 76-77; Congolese delegation visit to Canada, 77-80; Diefenbaker-N'Krumah correspondence, 42-46, 48; disarming of Congolese forces, 13; Fifth Committee and ONUC financing, 39-42; Gizenga government, recognition of, 15, 17, 21-22, 34, 44; Hammarskjöld death, 50-52; incursion from Ruanda-Urundi, 1-6; Katanga, escalation of conflict in, 64-65, 69-70, 73-77; Lumumba imprisonment and death, 8-9, 14, 21, 35; mercenaries, 19, 49-50, 61-62, 64, 67-68, 73-76; NATO discussion, 1-4; ONUC, Canadian contributions to, 18-19, 53-60, 70-72, 84-87; political prisoners, 11, 15; positions of: Afro-Asian bloc, 4, 15-16, 19-24, 42, 61-64; Belgium, 1-5, 9, 13, 20, 23-24, 34-35, 47-48; Canada, 4-8, 11-12, 24, 29-32, 46, 66-67, 73-76; Ghana, 22, 42-43, 48; India, 20, 22, 25, 42-43; UK, 12, 22-23, 68; US, 10-11, 18, 20, 23, 64, 68, 76-77; USSR, 1-2, 15-16, 23, 40-41; Secretary-General, role of, 15-17, 23-24; 27-29; 35-38; Security Council deliberations, 4, 14, 19-24, 61-65, 68-70; Tananarive Conference, 27-31, 33; UNGA resolutions, 34-35; Union Minière facilities in Katanga, 74-76
- CUBA, 1322-1380; *see also under* Joint Canada-United States Committee on Trade and Economic Affairs; North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris)); Tunisia, visit of Prime Minister to Ottawa (1-3 May); visit of Prime Minister to Ottawa (10-11 April); United Nations (General Assembly, 16th session—Security Council elections); United States (Canada-US relations), (visit of Prime Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May))
- Cabinet discussion, 1329, 1356-1357; Canadian ambassador to Cuba, appointment of, 1329; Canadian consultations with: Chile, 1367, 1373-1376; Cuba, 1340-1341; Israel, 1325; Poland, 1354-1355, 1361-1362; US, 1322-1323, 1331-1333, 1341-1345, 1350-1356, 1358-1359, 1362-1363; Yugoslavia, 1332; Canadian good offices in Cuba, proposals for, 1374-1375; Cuban press reports on Canada, 1357-1358; domestic political situation, 1323-1325, 1330-1340; easing of tensions, Canadian proposals for, 1364-1373; FAC regulations and economic embargo, 1327-1329, 1345-1347, 1353-1357; Green "mediation" offer, 1362-1363, 1367, 1373-1374; Green-Rusk discussion, 1358-1359; Heeney-Rusk discussion, 1344-1345; invasion and counterrevolutionary activities, 1330-1340; NATO discussion, 1349-1350, 1357-1358, 1360; positions of: Argentina, 1326-1327, 1351-1352; Canada, 1349-1350, 1356-1362; Chile, 1367, 1375-1376; Cuba, 1340-1341; Poland, 1354-1355, 1361-1362; US, 1322-1323, 1331-1333, 1341-1345, 1350-1355, 1358-1359, 1362-1363; USSR intentions and presence in Cuba, 1332, 1335, 1376-1380; Yugoslavia, 1332; US severance of relations, 1322-1325
- CUSTOMS TARIFF, CLASS OR KIND PROVISIONS, 673-681
- Canada-US consultations, 673-675, 679-680; Canadian reply (1 May) to US protest note, 677-681; GATT violations, 673-676; US protest note (19 January), 675-676
- D**
- DISARMAMENT, 147-195; *see also under* Berlin Crisis; North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)); Nuclear Weapons (acquisition by Canadian forces and storage at leased bases in Canada), (NATO policy); United Kingdom (visit of Prime Minister to Ottawa (10-11 April)); United Nations (General Assembly, 16th session—instructions to the Canadian delegation); United States (aircraft swap agreement), (Canada-US relations), (visit of Prime Minister to Washington (18 January)), (visit of Prime Minister to Washington (20 February)), visit of President to Ottawa (16-18 May)); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)
- Berlin Crisis, relation to, 156-157; Canadian consultations with: US, 156-157, 164, 169-171, 177-178, 186-187; Diefenbaker-Macmillan correspondence, 191-192; Disarmament Committee, expansion of, 147-148, 151-152, 161-162, 165, 169-170; First Committee debate, 152-153; Geneva nuclear tests conference, 154-155, 189-191; Irish non-proliferation resolution, 163, 174, 180-182; positions of: Canada, 148-151, 155, 158-164, 173-174, 179-180, 182-183, 191-192, 195; France, 152-153, 176; UK, 182, 185-186; US, 147-148, 156-159, 169-171, 175-178, 182, 186-188; USSR, 147-148, 151-152, 157-158, 188; public opinion, 168-169; resumption of nuclear testing by USSR and US, 157-159; Six-Power resolution on fifty-megaton bomb, 166-169; Swedish non-proliferation resolution, 171-180, 182-188, 194-195; UNGA deliberations, 192-195; US-USSR resolution on resumption of disarmament talks, 192-195; USSR draft treaty on nuclear tests, 189-191
- E**
- EAST GERMANY (GERMAN DEMOCRATIC REPUBLIC): *see under* Berlin Crisis; Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March); Japan (visit of Prime Minister to Japan

(27-31 October)); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris))

ECONOMIC AND SOCIAL COUNCIL (ECOSOC): *see under* United Nations (General Assembly, 16th session—instructions to the Canadian delegation)

ECOSOC: *see* Economic and Social Council

EEC: *see* European Economic Community

EUROPEAN ECONOMIC COMMUNITY, VISIT OF COMMISSIONER TO OTTAWA (13-18 JUNE), 1044-1047; *see also under* General Agreement on Tariffs and Trade; Ireland, visit of Prime Minister to Dublin (5-7 March); Japan (visit of Prime Minister to Japan (27-31 October)); United Kingdom (economic relations with Europe and joining the EEC), (visit of Prime Minister to Ottawa (10-11 April)); United States (visit of President to Ottawa (16-18 May)); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)

EXERCISE SKY SHIELD II, 619-628

Cabinet approval, 619-620; exercise evaluation, 625-628; FAA press release concerning, 620-625; future approval of large scale defence exercises, 626-628

F

FAC: *see* Foreign Assets Control regulations

FOOD FOR PEACE, 727-728; *see also under* Joint Canada-United States Committee on Trade and Economic Affairs; United Nations (General Assembly, 16th session—instructions to the Canadian delegation); World Food Programme

FOREIGN ASSETS CONTROL (FAC) REGULATIONS: *see under* China, People's Republic: sale of wheat to; Cuba; Joint Canada-United States Committee on Trade and Economic Affairs; United States (visit of Prime Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May))

FORT CHURCHILL ROCKET RANGE, 658-659

FRANCE; *see also under* Berlin Crisis; Disarmament; Law of the Sea; North Atlantic Treaty Organization (ministerial meeting (13-15 December, Paris)); United Kingdom (economic relations with Europe and joining the EEC); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)

Dupuy-de Gaulle meeting, 1048-1049

topics discussed: Algeria, 1049; Berlin, 1049; Kennedy visit to France, 1048; nuclear weapons, 1049

France-Quebec cultural relations, 1050-1053

G

GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT): TARIFF CONFERENCE AND DILLON ROUND, 298-326; *see also under* Customs Tariff, class or kind provisions; Royal Commission on Publications (O'Leary Commission); Turkey;

United Kingdom (economic relations with Europe and joining the EEC)

Canada-EEC consultations, 316; Canada-US consultations and negotiations, 317-318, 323-325; Canadian representations in EEC capitals, 299-301; Dillon Round opening and prospects, 313-314, 320-322; EEC agricultural policy, 298-299; EEC request list, 302-312, 315; ICETP meetings, 308-309; progress reports on negotiations, 308-309, 325-326; wheat, 317-320, 322-323

GHANA; *see also under* Israel, visit of Prime Minister to Ottawa (24-25 May); United Nations (General Assembly, 16th session—Security Council elections, South African apartheid); Commonwealth Prime Ministers' Meeting, London (8-17 March) (pre-meeting policy concerning South African membership); Congo, political crisis

French-speaking military officers, Canadian provision of, 979-992

aid to non-aligned countries, 990-991; bilateral agreement, 992; Cabinet approval of Ghanaian request, 981-982; Ghana, political situation in, 988-989; Ghana-UK military relations, 982-987, 989-990

Volta River project, 993-994

H

HONG KONG: *see under* imports, low cost, from Japan and Hong Kong

I

IAEA: *see* International Atomic Energy Agency

ICETP: *see* Interdepartmental Committee on External Trade Policy

ICSC: *see* International Commissions for Supervision and Control

IMMIGRATION POLICY, REVISIONS TO, 1399-1410; *see also under* Japan (visit of Prime Minister to Ottawa (25-26 June)); South Africa, effect of withdrawal from Commonwealth

adopted children, 1403; Cabinet discussion, 1407-1409; literacy tests, 1403; preference order, removal of, 1399-1400, 1404-1406, 1402; country quotas, 1401, 1408; passports and visas, 1401, 1403-1404; sponsorship, 1401; students, 1400-1401

IMPORTS, LOW COST, FROM JAPAN AND HONG KONG, 1310-1321; *see also under* Ireland, visit of Prime Minister to Dublin (5-7 March)); Japan (visit of Prime Minister to Ottawa (25-26 June))

Cabinet Committee on Low Cost Imports, report of, 1310-1311; Canadian consultations with: Hong Kong, 1313-1314; Japan: 1319-1321; International Textile Conference and draft agreement on cotton textiles, 1318-1321; London meetings (Canada-US-UK) on Hong Kong textile exports, 1315-1318; textiles and

- rubber footwear from Hong Kong, 1311-1312; voluntary restrictions, 1310
- INDIA; *see also under* Commonwealth Prime Ministers' Meeting, London (8-17 March) (meeting discussions and aftermath), (pre-meeting policy concerning South African membership); Congo, political crisis; International Atomic Energy Agency: safeguards; Laos (Geneva Conference on Laos), (reactivation of Laos ICSC, negotiations for); United Nations (General Assembly, 16th session—South African apartheid); Vietnam (ICSC operations)
- Canadian capital assistance, 959-962
- safeguards for Canadian nuclear materials, 962-978
- CANDU reactor proposal, 963-964, 966, 976-978; Indian purchase of uranium concentrate, 965, 967-971, 974; safeguards policies, 965-966, 971-978
- INTERDEPARTMENTAL COMMITTEE ON EXTERNAL TRADE POLICY (ICETP): *see under* General Agreement on Tariffs and Trade
- INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA): SAFEGUARDS, 1410-1415; *see also under* South Africa, effect of withdrawal from Commonwealth; India (safeguards for Canadian nuclear materials)
- Board of Governors meetings concerning, 1410-1413; positions of: Canada, 1413; India, 1410, 1413, 1412; US, 1411; USSR, 1410-1413; NATO policy on bilateral safeguard agreements, 1414-1415
- INTERNATIONAL COMMISSIONS FOR SUPERVISION AND CONTROL (ICSC): *see under* Laos (Geneva Conference on Laos), (reactivation of Laos ICSC, negotiations for); Vietnam (ICSC operations), (US presence in and assistance to South Vietnam)
- IRELAND, VISIT OF PRIME MINISTER TO DUBLIN (5-7 MARCH), 1054-1056; *see also under* Disarmament; United Nations (General Assembly, 16th session—Security Council elections);
- Diefenbaker-Lemass conversation, topics discussed: Congo, 1054; foreign investment, 1054-1055; Ireland and EEC, 1055; low-cost imports, 1056
- ISRAEL, VISIT OF PRIME MINISTER TO OTTAWA (24-25 MAY), 1079-1089; *see also under* Cuba
- Diefenbaker-Ben-Gurion meetings, topics discussed: aid to underdeveloped countries, 1083-1084; Ghana, 1083-1084; Israeli nuclear capability, 1087; Laos, 1083; military force levels, 1086-1087; Palestine refugees, 1086; Turkey, 1085-1086; UAR, 1085; US assistance to Israel, 1085; US-USSR declaration of territorial integrity of Middle Eastern states, 1082, 1087-1088; pre-visit briefing topics and events: Canadian export of military equipment to Israel and the Middle East, 1081; French military supplies, 1080; UAR, 1079-1080
- ITALY: *see under* Berlin Crisis
- J**
- JAPAN, 1298-1321; *see also under* imports, low cost, from Japan and Hong Kong; Law of the Sea visit of Prime Minister to Ottawa (25-26 June), 1298-1304
- Diefenbaker-Ikeda meeting, topics discussed: bilateral trade, 1304; Communist China, recognition and trade, 1302-1304; Formosa, 1303; Khrushchev speech, 1302; Korea, 1302; Laos and Vietnam, 1302, 1304; ministerial committee on economic questions, proposal for, 1304; Sino-Soviet relations, 1304; pre-visit briefing topics and events: cultural relations, 1299; immigration, 1299; import quotas, 1298-1300; legal claims, 1298, ministerial committee on economic questions, proposal for, 1300-1301
- visit of Prime Minister to Japan (27-31 October), 1305-1309
- Diefenbaker-Ikeda meetings, topics discussed: Berlin and Germany, 1306-1307; bilateral trade, 1308-1309; Burma, 1305; Korea, 1305; Laos and Vietnam, 1307-1308; ministerial committee on economic questions, proposals for, 1308; nuclear weapons, Canadian acquisition, 1306; OECD, Japanese membership, 1307; Southeast Asia, 1305; UK and the EEC, 1307; UN and nuclear tests resolution, 1306
- JOINT CANADA-UNITED STATES COMMITTEE ON TRADE AND ECONOMIC AFFAIRS, 661-673; *see also under* Cuba; Foreign Assets Control regulations
- pre-meeting briefing topics: agricultural restrictions, 662; balance of payments, 662; Cuban trade, 664-666; East-West trade, 663; FAC regulations and fuel bunkering, 664; Food for Peace, 663-664; lead and zinc, 663; US Trade Agreements Act, 662; topics discussed: Cuban trade, 671-673; FAC regulations and fuel bunkering, 667-670
- L**
- LAOS, 1090-1195; *see also under* Israel, visit of Prime Minister to Ottawa (24-25 May); Japan (visit of Prime Minister to Ottawa (25-26 June)), (visit of Prime Minister to Japan (27-31 October)); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris)); United Kingdom (visit of Prime Minister to Ottawa (10-11 April)); United Nations (General Assembly, 16th session—Green-Rusk conversation); United States (Canada-US relations), (visit of Prime

Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May)); Vietnam (US presence in and assistance to South Vietnam); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)

Geneva Conference on Laos, 1136-1195

Canadian consultations with: India, 1145-1146; UK, 1146-1147, 1159-1160; US, 1140-1145, 1168-1170; Canadian delegation, 1136-1137; cease-fire in Laos, 1138-1139, 1146-1152, 1161-1162, 1180, 1184, 1186; conference progress, 1173-1177, 1179-1195; development aid, 1142, 1144, 1153; Diefenbaker-Macmillan correspondence, 1146-1147, 1150-1152; Diefenbaker-Nehru correspondence, 1175-1176, 1178; Green-Souvanna meeting, 1166-1167; internal security force, 1141-1142; 1153; international supervisory mechanism, 1142-1143; 1153-1154; Laos ICSC: Canadian reports, 1161-1164; inspection teams, 1183-1185, 1188-1189, 1194; preliminary tasks, 1137-1139; report to Co-Chairmen, 1147-1150; role of Co-Chairmen, 1183, 1185, 1187, 1189, 1193-1194; terms of reference, 1160, 1170-1172, 1182-1189; military equipment, entry into Laos, 1139; neutrality of Laos, 1179-1180; political and military situation in Laos, 1146-1147, 1151-1152, 1161-1164, 1166-1170; positions of: Canada, 137-1139, 1146-1147, 1150, 1152-1155, 1158-1159, 1170-1172; India, 1155-1158, 1178; UK, 1137-1138, 1159-1160, 1174; US, 1138, 1140-1145, 1155-1158, 1168-1170, 1173-1174, 1190-1192; protocol to 1954 agreement on Laos, 1167-1168; representation of Laotian factions, 1143-1144; Ronning-Souphanouvong meeting, 1164-1165; US-India relations, 1155-1158

reactivation of Laos ICSC, negotiations for, 1090-1135

Canadian aide-mémoire to USSR (2 March) concerning reactivation, 1125-1126; Canadian consultations with: India, 1101-1102; UK, 1090, 1095-1098, 1102-1103, 1108-1110, 1114-1116, 1123-1124, 1128-1131; US, 1103-1106, 1108-1110; 1123-1124, 1126-1128; USSR, 1113-1114, 1125-1126; cease-fire in Laos, 1090, 1095, 1129, 1131-1134; Canadian personnel for ICSC, 1131-1132; Co-Chairmen's letter to India, 1111-1112, 1114-1116; Co-Chairmen's request for reactivation and convening of Geneva Conference, 1133-1135; Diefenbaker-Sihanouk correspondence, 1119-1122; military equipment, provision to factions

in Laos, 1105, 1128-1129; political and military situation in Laos, 1091-1093, 1099-1100, 1105, 1113; positions of: Cambodia, 1120-1121; Canada, 1095, 1097-1098, 1101-1102, 1106-1107, 1115, 1121-1122, 1124-1127, 1133-1134; India, 1101, 1104, 1107, 1135; Poland, 1097; RLG, 1093-1094, 1098, 1110, 1130; UK, 1090-1092, 1096, 1098, 1102-1103, 1107-1110, 1114-1116, 1123-1124; US, 1092-1094, 1103-1110, 1117-1118, 1126-1130; USSR, 1094, 1105, 1113-1114, 1117-1118, 1122-1123, 1132-1133; terms of reference for ICSC, 1100-1102, 1109, 1122-1123, 1127-1128, 1131; UK aide-mémoire (14 January) outlining approach to India, 1111; UK proposal for reactivation, 1090-1091; UK-USSR consultations, 1094, 1116-1118, 1130-1131

LAW OF THE SEA, 89-147; *see also under* Union of Soviet Socialist Republics (Pacific halibut fishery, entry into)

Canada-UK survey supporting multilateral convention: preliminary phase, 89-105, 109-123; second phase, 112-114, 117, 120-131; Canada-US "six plus six" proposal, 89-90, 96-98, 101-106, 109-111, 115-116, 138-139, 143-144; Canadian consultations with: France, 109-110; UK, 123-124, 129-130; US, 103-105, 125-126, 134, 137-147; Hague Conference on Fisheries Questions, 107-108, 111; positions of: Canada, 94-95, 100-102, 105-107; France, 109-112, 120-121, 130-131, 135, 140-141; Japan, 105-108, 111, 114, 119-120, 136-137; Latin American nations, 110; Norway, 112, 114, 120-121; UK, 92-93, 111-113, 116-117, 136; US, 103-105, 115-116, 125-126, 134-135, 137-147; USSR, 106-107; preferential fishing rights, 91-92, 98, 121, 130-131, 141; twelve mile territorial sea, 91, 99, 106-107, 122, 125, 138, 140, 143-145; unilateral action by Canada, potential impact of, 118, 131-134, 140-141, 146-147

M

MAAG: *see* Military Assistance Advisory Group
MAGAZINES AND PERIODICALS: *see under* Royal Commission on Publications

MEDIUM RANGE BALLISTIC MISSILE (MRBM): *see under* NATO (ministerial meeting (13-15 December, Paris)); Nuclear Weapons (NATO policy)

MILITARY ASSISTANCE ADVISORY GROUP (MAAG): *see under* Vietnam (US presence in and assistance to South Vietnam)

MRBM: *see* Medium Range Ballistic Missile

N

NATO: *see* North Atlantic Treaty Organization

NORTH ATLANTIC TREATY ORGANIZATION (NATO); *see also under* Berlin Crisis; Congo, political crisis; Cuba; International Atomic Energy Agency: safeguards; Nuclear Weapons (NATO policy); United Kingdom (economic relations with Europe and joining the EEC), (visit of Prime Minister to Ottawa (10-11 April)); United States (visit of Prime Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May))

Annual Review, 496-506

Brigade Group mechanization, 497-498, 503; Canadian statement, 499-502; defence spending, 498-499, 501, 506; F-104G interceptor and Canadian Air Division, 500, 504; mutual aid, 501-502

ministerial meeting (8-10 May, Oslo), 327-341

Angola, 328, 337; assessment, 334-341; Berlin and Germany, 328, 333-335; Canadian delegation guidelines and position, 329-334; Congo, 337; consultative machinery, 331, 339-340; Cuba, 329, 338; disarmament, 328, 335-336; Greece and Turkey, economic problems, 340-341; Heads of Government meeting, 332, 341; Laos, 328-329, 336-337; long-term planning, 330, 338-340; NATO-UN relations, 336; non-military cooperation, 332, 340; nuclear weapons, 331-332; peacekeeping activities, 331, 337

ministerial meeting (13-15 December, Paris), 507-536

Annual Review, 510; assessment, 519-536; Berlin and Germany, 508-510, 512-518, 520-521, 523-528; Canadian delegation guidelines and position, 507-513; civil emergency planning, 511, 535; communiqué, 517-518; Congo, 512, 518, 528-529; Cuba, 530; Laos and Vietnam, 530; NATO-UN relations, 522-523; nuclear weapons and MRBM multilateral force, 518-519, 521-522, 531-534; positions of: Canada, 526-527, 529; France, 515-516, 520, 526, 532-533; UK, 516, 520, 527-529, 533; US, 513-514, 520, 524, 528-530, 533-534; West Germany, 514, 520, 525, 531-532; report to Cabinet, 517-519; research cooperation, 510, 535

NORWAY: *see under* Law of the Sea

NUCLEAR WEAPONS; *see also under* Berlin Crisis; Disarmament; France (Dupuy-de Gaulle meeting); Israel, visit of Prime Minister to Ottawa (24-25 May); Japan (visit of Prime Minister to Japan (27-31 October)); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris)); United Kingdom (visit of Prime Minister to Ottawa (10-11 April)); United Nations (General Assembly, 16th session—Green-Rusk

conversation, instructions to the Canadian delegation, radiation); United States (aircraft swap agreement), (Canada-US relations), (visit of Prime Minister to Washington (20 February)), (visit of President to Ottawa (16-18 May));

acquisition by Canadian forces and storage at leased bases in Canada, 563-618

Berlin crisis, relation to, 605, 607; BOMARC, 567-568, 576, 579, 601, 603-606, 608, 612-614, 617-618; anti-submarine weapons, 567-569, 576, 579, 581, 601; Cabinet delay in authorizing negotiations with US, 617-618; Canadian policy statement, 564-565; Canadian forces draft acquisition agreement, 565-572, 582-584, 588-593, 600-610; Canadian note to US (27 September) concerning continental defence improvements, 612-615; controls over storage and use, 566-569, 577-578, 582-589, 593, 598, 600-610; Diefenbaker-Kennedy meetings, preparation for and report on, 574-578, 596; disarmament, relation to, 573-575, 578, 605-609, 615-617; DND-DEA consultations concerning draft acquisition agreement, 585-588, 594-595; draft aide-mémoire to US concerning negotiations, 611; Goose Bay and Harmon bases draft storage agreement, 563-564, 567, 570-571, 575, 577-579, 581, 594, 596; Harkness-Green correspondence, 573, 578, 584-585, 588-590, 596; MB-1 overflight agreement, 570, NORAD use, 568-569, 604; 608; "package" agreement proposal, 578-580, 582-584, 595-596; PJBD discussion, 563-564, 571-572; public opinion, 575, 606, 608-609, stockpiles in Europe, 567-569, 576, 579-581, warhead agreement schedules, 596-597, 601

NATO policy, 466-496

Berlin Crisis, relation to, 480; Canadian consultations with: NATO Secretary-General, 495-496; SACEUR, 486-488; control of use, 471-472, 474, 476-477, 484-485, 487-489, 491, 493-496; disarmament, relation to, 467; financing, 491-492; interdepartmental discussion, 478-481; long-term planning, 486-494; MRBM multilateral force, 469-472, 477-478, 487-488; NATO Council discussion, 469-472, 475-478; positions of: Canada, 468-469, 489; SACEUR, 469-472, 475-478, 490-491; US, 483-486, 488, 490, 493

O

OAS: *see* Organization of American States

OECD: *see* Organization for Economic Cooperation and Development

OIL, 707-723

Cabinet Committee on Oil Policy, 707-711; Canada-US consultations, 712-713, 715-719; Canadian note (31 October) concerning changes to US oil import program, 721-722; Canadian production levels, 708-710, 712, 714; exports to US, 712, 714-719; Montreal pipeline, 708-712; US oil import program, 716-723

ONUC: *see* United Nations Operation in the Congo
 ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD): *see under* Japan (visit of Prime Minister to Japan (27-31 October))

ORGANIZATION OF AMERICAN STATES (OAS): *see under* Caribbean, aid to former British territories in

P

PERMANENT JOINT BOARD ON DEFENCE (PJBD): *see under* Nuclear Weapons (acquisition by Canadian forces and storage at leased bases in Canada)

PJBD: *see* Permanent Joint Board on Defence

POLAND: *see under* Cuba; Laos (reactivation of Laos ICSC, negotiations for); Vietnam (ICSC operations)

R

RHODESIA AND NYASALAND: *see under* Commonwealth Prime Ministers' Meeting, London (8-17 March) (pre-meeting policy concerning South African membership)

ROYAL COMMISSION ON PUBLICATIONS (O'LEARY COMMISSION), 681-707

advertising and income tax deductions, 683-685; advertising circulars and catalogues, 686-687; Cabinet Committee on the O'Leary Report, 702-707; Canada-US consultations, 690-691; Commission conclusions and recommendations, 681-690; GATT obligations, 687-688, 698-699, 703, 707; Periodical Press Association representations, 695-697; *Reader's Digest* and *Time*, impact of budget proposals and representations to Canadian government, 691-695, 700-707; special or split run editions of US periodicals in Canada, 681-682; US protest note (19 June), 693-694; US protest note (4 August), 697-699

RUANDA-URUNDI: *see under* Congo, political crisis; United Nations (General Assembly, resumed 15th session)

S

SACEUR: *see* Supreme Allied Commander, Europe
 SOUTH AFRICA, EFFECT OF WITHDRAWAL FROM COMMONWEALTH, 941-958; *see also under* Commonwealth Prime Ministers' Meeting, London (8-17 March) (meeting discussions and aftermath), (pre-meeting policy concerning South

African membership); United Nations (General Assembly, resumed 15th session—South African apartheid), (General Assembly, 16th session—instructions to the Canadian delegation), (Security Council elections), (South African apartheid)

citizenship, 945-946, 952-953; Commonwealth scholarship programme, 945, 957; communications, 944-945; defence, 944; diplomatic relations, 942-943; domestic situation in South Africa, 947-950; export of military equipment, 943-944, 957; Green-Sandys correspondence, 951-952, 954-958; immigration, 946, 953, 957; nuclear materials safeguards, 944; position of UK, 951-952, 954-955; trade, 942-943, 957

SOUTH KOREA (REPUBLIC OF KOREA): *see under* Colombo Plan (Consultative Committee meeting (Kuala Lumpur, 13-17 November)); Japan (visit of Prime Minister to Ottawa (25-26 June)), (visit of Prime Minister to Japan (27-31 October)); United Nations (General Assembly, 16th session—instructions to the Canadian delegation)
 SUPREME ALLIED COMMANDER, EUROPE (SACEUR): *see under* Nuclear Weapons (NATO policy)

SWEDEN: *see under* Disarmament

T

TUNISIA, VISIT OF PRIME MINISTER TO OTTAWA (1-3 MAY), 1392-1398

Diefenbaker-Bourguiba meeting, topics discussed: Algeria, 1396-1398; Bizerta, 1398; Communism in Africa, 1396-1397; Congo, 1395; Cuba, 1395-1396; pre-visit briefing topics and events: aid, 1394; Algeria, 1392-1394; Canada-Tunisia relations, 1393-1394; domestic situation, 1393; economy, 1393

TURKEY: *see under* Israel, visit of Prime Minister to Ottawa (24-25 May); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo))

TURKEYS, 723-727

Canada-US consultations, 723-725; GATT obligations, 723-725; import quota on US turkeys, 724-726; price support for Canadian turkeys, 726-727

U

UNEF: *see* United Nations Emergency Force

UNION OF SOVIET SOCIALIST REPUBLICS (USSR); *see also under* Berlin crisis; Congo, political crisis; Cuba; Disarmament; International Atomic Energy Agency: safeguards; Israel, visit of Prime Minister to Ottawa (24-25 May); Japan (visit of Prime Minister to Ottawa (25-26 June)); Laos (reactivation of Laos ICSC, negotiations for); Law of the Sea; United Nations (General Assembly, 16th session—Chinese representation, colonialism); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)

- Pacific halibut fishery, entry into, 1057-1061
 Canadian note concerning, 1059-1060;
 International Convention governing, 1058;
 Soviet interest in halibut trawler fishing, 1057, 1059
 repatriation of Canadian citizens and former residents, 1062-1064
- UNITED KINGDOM (UK); *see also under* Berlin Crisis; Commonwealth Prime Ministers' Meeting, London (8-17 March) (pre-meeting policy concerning South African membership); Congo, political crisis; Disarmament; Ghana (French-speaking military officers, Canadian provision of); imports, low cost, from Japan and Hong Kong); Japan (visit of Prime Minister to Japan (27-31 October)); Laos (Geneva Conference on Laos), (reactivation of Laos ICSC, negotiations for); Law of the Sea; North Atlantic Treaty Organization (ministerial meeting (13-15 December, Paris)); South Africa, effect of withdrawal from Commonwealth; United Nations (General Assembly, 16th session—Security Council elections, South African apartheid); Vietnam (US presence in and assistance to South Vietnam);
 economic relations with Europe and joining the EEC, 816-932
 Cabinet discussion, 823-826, 833-834, 878-879, 885-887, 897-898; Canadian consultations with: France, 909-914; UK, 839-841, 856-868, 892-897, 915-916; US, 884-885, 890-892; Canadian trade, effects of UK-EEC merger, 836-839, 858-859, 862, 865, 876-877, 886, 894-899, 912, 914; CECC meeting (Accra) concerning, 879-884, 886-887; Commonwealth, impact on, 854-855, 862-863, 865, 891-892; Commonwealth-UK consultations, 826-829, 843, 871-872, 899-901; Diefenbaker-Macmillan correspondence and discussions, 816-818, 821, 825-826, 829-830, 869-870, 921; GATT, 841, 872-873; EEC consideration of UK application, 890; Fleming-de Gaulle meeting, 913-914; Fleming-Macmillan meeting, 915-916; manufactured goods, negotiations concerning, 928-930; NATO, impact on, 854; political implications, 852-855, 857-858, 865, 891; positions of: Australia, 883, 930; Canada, 821, 824, 833-834, 839-845, 860-864, 872-873, 877-879, 881-882, 900, 905, 913-914, 925; France, 822-823, 832, 840, 909-914, 921; UK, 817-818, 825-826, 829-830, 840-841, 845-848, 856-859, 864, 867-870, 874, 880-881, 883, 893-895, 900, 905-909, 915-916, 920-921, 926-928; US, 822, 824, 835-837, 840, 847, 884-885, 888, 890-892, 901-904; Sandys visit to Ottawa, 856-866; UK-EEC negotiations, 874, 908-909, 922-925, 931-932; UK-EEC trade, 820-821, 848-852, 858-859; UK refusal to share negotiation details with Commonwealth, 917-921
 visit of Prime Minister to Ottawa (10-11 April), 932-941
 assessment, 940-941; Diefenbaker-Macmillan meeting, topics discussed: Cuba, 936; Laos, 933; NATO Heads of Government meeting, 935; nuclear tests suspension and disarmament, 936; nuclear weapons for NATO forces, 935; trade with China, 933-934; UK entry into EEC, 934-935; US attitudes to Asia, 932-933; Macmillan meeting with Cabinet, 937-940
- UNITED NATIONS (UN); *see also under* Berlin Crisis; Congo, political crisis; Disarmament; Japan (visit of Prime Minister to Japan (27-31 October)); Law of the Sea; North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris)); United Nations Emergency Force, withdrawal policy; United Nations Relief and Works Agency for Palestinian Refugees; United States (visit of President to Ottawa (16-18 May)); Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March)
 General Assembly, resumed 15th session, 203-214
 South African apartheid, 203-210
 Article 2 and non-intervention, 204; positions of: Canada, 203, 209; South Africa, 207; resolutions: African bloc, 205-209; Asian bloc, 205-209; sanctions, 203-210
 Ruanda-Urundi, 210-214
 General Assembly, 15th session assessment, 214-216
 General Assembly, 16th session, 217-285
 Chinese representation, 270-279
 positions of: Canada, 273-276, 278-279; US, 270-274; proposed study group, 270-274, 277-279; USSR draft resolution, 277
 colonialism, 261-269
 proposed Canadian resolution on Soviet colonialism, 261-265, Seventeen-Nation Committee, 268-269; UNGA debate, 267-268; USSR proposals for UNGA debate, 265-266
 Departmental Panel on Africa, 223-235
 emergence of Afro-Asian bloc, 223-224, 231-232; meetings, 226-229; membership, 226-227; summary report, 232-235; topics considered, 229-230; traditional Canadian policy concerning Africa, 225-227, 231, 233-234
 Green-Rusk conversation, 235-239

- appointment of interim Secretary-General, 235-236; Berlin, 237-238; Chinese representation, 236; Congo, 236; disarmament, 237; Laos, 238; nuclear tests, 238-239
- instructions to the Canadian delegation, 217-223
- admission of new members, 218; Angola, 219; apartheid, 219; Charter review, 218; Congo, 219, 223; disarmament and nuclear tests, 219-220; ECOSOC elections, 218; Food Bank, 221; Korea, 220; non-self-governing territories, 221; outer space, 220; radiation, 220; Tibet, 221; Secretariat reorganization, 219; Security Council elections, 218; UN financing, 222
- radiation, 279-285
- Canada-US consultations, 280-282; Canadian resolution, 280-283; cooperative fallout studies, 279-280; synoptic reporting scheme on atmospheric radiation, 284-285; UNSCEAR report, 280-282; World Meteorological Organization, 283-285
- Security Council elections, 239-244
- candidates: Cuba, 242; Ghana, 239, 244; Ireland, 244; Philippines, 242-243; Romania, 242-243; South Africa, 239-242; Venezuela, 242, 244; Commonwealth seat, 239-242; East European seat, 242-244; Latin American seat, 242; positions of: Canada, 241-244; UK, 239; US, 242-243; results, 244
- South African apartheid, 244-261
- Canadian consultations with non-African states, 259-260; positions of: African bloc, 245-246; Asian bloc, 245-246; Canada, 247-248, 251, 253-254, 256, 260-261; Ghana, 245, 248-249; South Africa, 249; UK, 249, 251, 259; resolutions: African bloc, 252-254; Ethiopian (amendment to Indian resolution), 255-256, 259; Ghanaian, 248-249; Indian, 252-253, 255-256, 259; sanctions, 246, 249-252, 254; South African withdrawal from Commonwealth, 245; Special Political Committee discussion, 248, 252
- UNITED NATIONS EMERGENCY FORCE (UNEF), WITHDRAWAL POLICY, 286-289
- UNITED NATIONS OPERATION IN THE CONGO (ONUC): *see under* Congo, political crisis
- UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINIAN REFUGEES (UNRWA), 289-298; *see also under* Israel, visit of Prime Minister to Ottawa (24-25 May)
- Canadian consultations with UNRWA Director, 289-291; Canadian contributions: cash, 293-298; funds for vocational training centre, 291-292; wheat flour, 293-298; pledging conference, 297
- UNITED NATIONS SCIENTIFIC COMMITTEE ON THE EFFECTS OF ATOMIC RADIATION (UNSCEAR): *see under* United Nations (General Assembly, 16th session—radiation)
- UNITED STATES (US); *see also under* Berlin Crisis; Caribbean, aid to former British territories in; Chicago Diversion; China, People's Republic: sale of wheat to; Colombo Plan (Consultative Committee meeting (Kuala Lumpur, 13-17 November)); Columbia River; Congo, political crisis; Cuba; Customs Tariff, class or kind provisions; Disarmament; Exercise Sky Shield II; Fort Churchill Rocket Range; France (Dupuy-de Gaulle meeting); General Agreement on Tariffs and Trade: Tariff Conference and Dillon Round; imports, low cost, from Japan and Hong Kong; International Atomic Energy Agency: safeguards; Israel, visit of Prime Minister to Ottawa (24-25 May); Joint Canada-United States Committee on Trade and Economic Affairs; Laos (Geneva Conference on Laos), (reactivation of Laos ICSC, negotiations for); Law of the Sea; North Atlantic Treaty Organization (ministerial meeting (13-15 December, Paris)); Nuclear Weapons (acquisition by Canadian forces and storage at leased bases in Canada), (NATO policy); Oil; Royal Commission on Publications (O'Leary Commission); Turkey; United Kingdom (economic relations with Europe and joining the EEC), (visit of Prime Minister to Ottawa (10-11 April)); United Nations (General Assembly, 16th session—Green-Rusk conversation, radiation, Security Council elections); Vietnam (ICSC operations), (US presence in and assistance to South Vietnam)
- aircraft swap agreement, 629-659
 - Canadian public statement concerning, 656-659; cancellation of CF-105, relation to, 639-640; Diefenbaker-Kennedy conversations concerning, 650-651; disarmament, relation to, 657-658; final agreement provisions, 654-659; nuclear or conventional armament for F-101B aircraft, 644-652, 655, 657-658; title of F-101B aircraft, 642-644, 652, 655; US counterproposal for swap agreement (F-101B/F-104G/Pinetree Line), 633-636; US rejection of original Canadian swap proposal (CL-44/F-101B/Pinetree Line), 629-633
- Canada-US relations, 538-542
- Heeny-Rusk meeting, topics discussed: Cuba, 540; diplomatic appointments, 540-541; disarmament, 540; economic relations, 539; Laos, 540; nuclear weapons, 540; President's military aide,

- views of, 541-542
- visit of Prime Minister to Washington (18 January), 537-538
- Diefenbaker-Eisenhower meeting, topics discussed: aircraft swap agreement, 538; Communist expansion, 538; disarmament, 537-538
- visit of Prime Minister to Washington (20 February), 543-552
- Diefenbaker-Kennedy meeting, topics discussed: balance of payments and US investment in Canada, 548-549; Canada-US relations, 545-546; Communist China, recognition, 547; Congo, 546; Cuba, 548; defence partnership, 549-550; defence production sharing, 549; disarmament, 550-551; economic situation in Canada and US, 551; FAC regulations and fuel bunkering, 543-544, 547-548; Laos, 546; NATO Heads of Government meeting proposal, 551; nuclear weapons, 550; ownership disclosure legislation, 552; post-visit report to Cabinet, 543-544
- visit of President to Ottawa (16-18 May), 552-563
- Diefenbaker-Kennedy meeting, topics discussed: aid to underdeveloped countries, 562; Berlin, 562; Communist China and UN recognition, 562; disarmament and nuclear weapons, 562; European integration, 562; FAC regulations and fuel bunkering, 562; Latin America and Cuba, 561; Vietnam, 561; pre-visit briefing topics: Africa and the Congo, 553; aid to underdeveloped countries, 553-554, 558, 560; aircraft swap agreement, 553; balance of payments, 560; disarmament, 558; East-West relations, 552-553, 557-558; Europe and Berlin, 553; European integration, 554, 561; FAC regulations and fuel bunkering, 554; Laos and Vietnam, 553, 557; Latin America and Cuba, 553, 557; NATO, 557-558; US foreign policy trends, 554-559; US Trade Agreements legislation, 554
- UNRWA: *see* United Nations Relief and Works Agency for Palestinian Refugees
- UNSCEAR: *see* United Nations Scientific Committee on the Effects of Atomic Radiation
- V**
- VIETNAM, 1195-1262; *see also under* Japan (visit of Prime Minister to Ottawa (25-26 June), (visit of Prime Minister to Japan (27-31 October)); North Atlantic Treaty Organization (ministerial meeting (13-15 December, Paris)); United States (visit of President to Ottawa (16-18 May))
- ICSC operations, 1195-1202, 1208-1209, 1216, 1221-1235, 1239-1244, 1246-1247, 1251, 1254-1259
- control of airports, 1195-1199, 1223; Colonel Nam, arrest and murder, 1224-1226, 1231-1233, 1242-1244, 1246-1247, 1251; fixed and mobile team operations, 1222-1224; Indian chairman, role of, 1197-1198; ICSC activity reports: June, 1221-1222; October, 1231-1234; positions of: Canada, 1195-1196, 1199-1201, 1230-1231; India, 1195-1196, 1202, 1208-1209, 1241-1244, 1246-1247; North Vietnam, 1226-1228; Poland, 1195, 1201, 1230-1231, 1241-1244; South Vietnam, 1229-1230, 1232-1233; US, 1224-1225, 1234-1235, 1240, 1257-1259; subversion, 1199-1202, 1208-1209, 1216, 1242-1244, 1251, 1255-1256
- US presence in and assistance to South Vietnam, 1203-1207, 1209-1221, 1226-1228, 1233-1239, 1241, 1244-1245, 1248-1250, 1252-1254, 1259-1262
- Canadian consultations with: North Vietnam, 1226-1228; UK, 1205, 1214; US, 1206, 1210-1215, 1218-1219, 1236-1240, 1248-1250, 1260-1262; ICSC discussion of, 1209-1210; impact on Geneva Conference on Laos, 1206; MAAG personnel increase, 1203-1207, 1209-1215, 1233-1234; positions of: Canada, 1203-1204, 1206-1207, 1216-1218, 1244-1245, 1259-1260; North Vietnam, 1226-1228; South Vietnam, 1217-1218; UK, 1214; US, 1206, 1210-1213, 1215, 1236-1240, 1260-1262; Taylor report and increased US aid, 1236-1239, 1241, 1244-1245; US White Paper, 1248-1250
- VOLTA RIVER PROJECT: *see under* Ghana (Volta River project)
- W**
- WEST GERMANY (FEDERAL REPUBLIC OF GERMANY): *see under* Berlin Crisis; Yugoslavia, visit of Foreign Minister to Ottawa (27-28 March); Japan (visit of Prime Minister to Japan (27-31 October)); North Atlantic Treaty Organization (ministerial meeting (8-10 May, Oslo)), (ministerial meeting (13-15 December, Paris))
- WORLD FOOD PROGRAMME, 196-202; *see also under* Food for Peace; Joint Canada-United States Committee on Trade and Economic Affairs; United Nations (General Assembly, 16th session—instructions to the Canadian delegation) Canadian contribution, 198-199; cost, 196-197, 202; Intergovernmental Advisory Committee report, 196-197; Second Committee approval, 201-202

Y

YUGOSLAVIA, VISIT OF FOREIGN MINISTER TO
OTTAWA (27-28 MARCH), 1065-1078; *see also*
under Cuba

assessment, 1076-1078; Green-Popovic
meetings, topics discussed: Berlin and
Germany, 1074; China, 1074; Congo, 1073;
disarmament, 1072-1073; Eastern Europe,
1075; EEC, 1073-1074; France, 1075; Laos,
1073; USSR-China relations, 1075; pre-visit
briefing topics and events: disarmament,
1065-1066; Popovic visit to USSR, 1067,
1069; Serbian demonstrations, 1068-1069,
1071-1072; UN matters, 1070; Yugoslav
neutrality, 1065-1066